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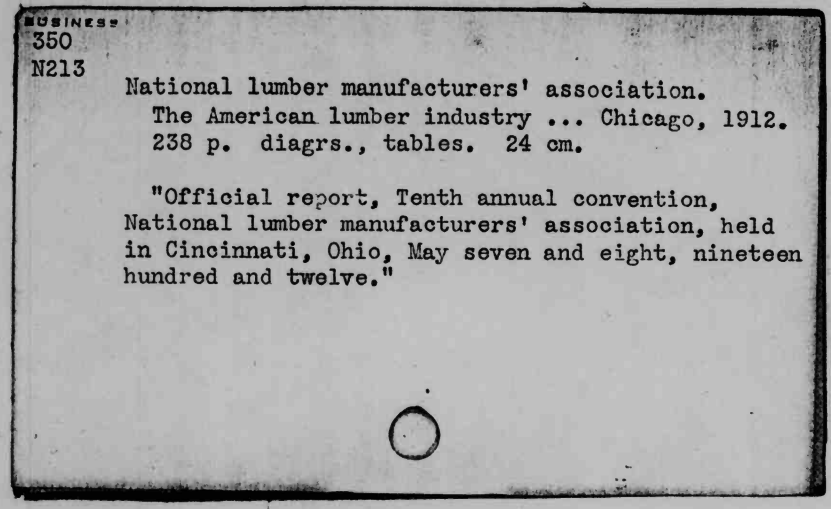
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OFFICIAL REPORT
TENTH ANNUAL CONVENTION
NATIONAL LUMBER MANUFACTURERS' ASSOCIATION,
Held in CINCINNATI, OHIO,
May Seven and Eight, Nineteen Hundred and Twelve. . . . .

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Business

PUBLISHED *by AUTHORITY of the* NATIONAL LUMBER MANUFACTURERS' ASSOCIATION

By LEONARD BRONSON, *Mgr.*
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PURPOSES OF THE NATIONAL LUMBER MANUFACTURERS' ASSOCIATION

(Excerpt from the Constitution)

FIRST—To promote uniformity in the methods of manufacture and sale of lumber.

SECOND—To unify as far as possible conflicting interests and eliminate those elements of friction that have so long served as a barrier to the elevation of the trade to that high plane of dignity and usefulness to which its importance entitles it.

THIRD—To gather and disseminate reliable statistics showing the annual production and consumption of the various kinds of lumber manufactured in this country, co-operating with and aiding other associations along this line.

FOURTH—To gather, compile and distribute information as to general trade conditions in lumber and kindred interests throughout the country.

FIFTH—To take up for discussion and action any and all questions of mutual interest that are National in their character and application, leaving to the territorial associations for final adjudications those matters and questions peculiar to their respective localities.

SIXTH—To strengthen the bonds of fellowship and inculcate more friendly relations among those engaged in the same calling and occupation, whose interests are common and lie along almost parallel lines, and for the uplifting of our industry to which many of the manufacturers are giving the best efforts of their lives.

NATIONAL LUMBER MANUFACTURERS' ASSOCIATION

1911

Affiliated Associations

NORTHERN PINE MANUFACTURERS' ASSOCIATION.
NORTHERN HEMLOCK & HARDWOOD MANUFACTURERS' ASSOCIATION.
MICHIGAN HARDWOOD MANUFACTURERS' ASSOCIATION.
HARDWOOD MANUFACTURERS' ASSOCIATION OF THE UNITED STATES.
NORTH CAROLINA PINE ASSOCIATION (INC.).
GEORGIA-FLORIDA SAW MILL ASSOCIATION (INC.).
YELLOW PINE MANUFACTURERS' ASSOCIATION.
SOUTHERN CYPRESS MANUFACTURERS' ASSOCIATION.
WESTERN PINE MANUFACTURERS' ASSOCIATION.
PACIFIC COAST LUMBER MANUFACTURERS' ASSOCIATION.
SOUTHWESTERN WASHINGTON LUMBER MANUFACTURERS' ASSOCIATION.
REDWOOD MANUFACTURERS' ASSOCIATION.
PACIFIC COAST SUGAR & WHITE PINE MANUFACTURERS' ASSOCIATION.

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EDWARD HINES (*ex-officio*).....Chicago, Ill.

NATIONAL LUMBER MANUFACTURERS' ASSOCIATION

1912

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NORTHERN PINE MANUFACTURERS' ASSOCIATION.
NORTHERN HEMLOCK & HARDWOOD MANUFACTURERS' ASSOCIATION.
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FIRST SESSION

Tuesday Forenoon, May 7, 1912

The Tenth Annual Convention of the National Lumber Manufacturers' Association was held at Cincinnati, Ohio, on May 7 and 8, 1912, at the Hotel Sinton, under the chairmanship of President Everett G. Griggs, of Tacoma, Wash.

The first session was called to order by President Griggs shortly after ten o'clock a. m., who introduced Rev. Charles F. Goss, pastor of the Avondale Presbyterian Church, who offered the following prayer:

Invocation

Help us, Thy servants, now Oh Lord, our God, to give expression in some way to the deeper thoughts and feelings in the hearts of these men. It has seemed good for them to set aside a moment for prayer and meditation upon those great obligations which rest upon all men in life.

We pray that now they may give this moment of serious thought to these great duties which God has called them to perform. We can hear them in their own hearts thanking Thee, our Heavenly Father, that Thou hast given them a place in the world of business, a place to struggle in, to win bread for their families, and to exert an influence upon their fellows.

We can hear them thanking Thee that this work lies in the domain where their activities are daily called upon in the great world of wood work; and, Our Father, we thank Thee for them that this great business calls out all the energies of their lives and that through it they fulfil such valuable results in human life.

We pray that while they struggle with these great responsibilities, these great affairs, they may give their serious thought and attention to that which is of even greater value than the world of business, that they may not forget the world of sentiment and feeling. Help them to remember that besides the material world with which they deal they have in them elements of mystery, of romance and of charm, and in no calling more so than in theirs. Help them always to carry recollections of the tender feelings of childhood as they look upon a tree

and remember the old tree under which they lay and dreamed as boys, where they heard the first bird sing, where the swings hung low, and there was so much that happened to touch the imagination and the heart of childhood; and Oh Lord, help them to be sensitive to the mystery and charm of life and always keep their feelings and their hearts young, even in the intense struggles of life, even in the great battles of life where we are opposed by what seems to us at times almost irresistible obstacles.

Now, our Heavenly Father, give these men more courage for life, give them kindly hearts, and help them to deal fairly with each other and with all men. Help them to take their part in all the activities of this great world, and always and everywhere to obey Our Heavenly Father in this, their work, for Jesus' sake. Amen.

PRESIDENT GRIGGS: Gentlemen, I understand we are doubly fortunate today in being booked for a double welcome, Mr. W. E. DeLaney, of Cincinnati, President of the Hardwood Manufacturers' Association of the United States, and Mr. Shiels, President of the Cincinnati Lumbermen's Club, having agreed to divide this honor between them. Mr. DeLaney is a lumberman, and in behalf of his association will welcome the convention to Cincinnati.

Address of Welcome

BY W. E. DE LANEY, OF CINCINNATI, OHIO

Mr. President and Gentlemen: As you have met in the territory of the Hardwood Manufacturers' Association of the United States, I, as President, have the pleasure of welcoming you. Were it not for the fact that some of us are broke, and some of us flooded, there would be more of us here this morning to greet you.

I believe it has been customary for the mayor of the city to welcome lumber conventions, and turn over the keys of the city to them. I have no official power of that sort; but if the press of this country is to believed you are a lot of porch-climbers anyhow, and do not need any keys. I might say to you, however, that if there are any of you here that want anything and cannot find it, we will try and find the keys for you.

It has been suggested that we might show our appreciation of your meeting here by some sort of an innovation, and that perhaps the best thing to do would be to construct a score-board, that you may be able to get the details of the ball game this afternoon without leaving

the convention floor. The President heartily concurs in that suggestion.

I am not very strong on this welcoming business, but we have a gentleman here who is a real welcomer, and I feel sure that after he gets through you will feel that you are among your friends. This gentleman has the honor of representing the first lumbermen's club in this country who took for their policy "a square deal." There is not a manufacturer but feels that he can ship lumber to this market with perfect safety. If he has any grievance or thinks that he has been treated unfairly by a buyer here, our Lumbermen's Club will, upon request, settle the question through their Arbitration Committee, and every member of the Club is bound to abide by that decision. I have the honor to introduce to you Mr. Shiels, who was last night elected to the Presidency of the Cincinnati Lumbermen's Club. [Applause.]

Address of Welcome

BY CHARLES F. SHIELS, OF CINCINNATI, OHIO

Mr. President and Gentlemen of the National Lumber Manufacturers' Association: It is my honor this morning to welcome you to our city in behalf of our local Lumbermen's Club. We of Cincinnati have grown so accustomed to having strangers within our gates that it is very seldom that we now offer our guests the keys of the city, for as Mr. DeLaney has just told you, our stock of keys is completely exhausted. But anticipating this emergency, I want to tell you gentlemen that we have had the gates of the city taken from the hinges, and if it becomes necessary for any of you gentlemen to find the ball park, or any other place in our city, we will make it exceedingly easy for you, both of ingress and egress, and the way will be broad for you to get back again.

Gentlemen, I am not going to take up any more of your valuable time this morning, and will close by wishing you all a pleasant and profitable session. [Applause.]

Response to Addresses of Welcome

BY PRESIDENT EVERETT G. GRIGGS, OF TACOMA, WASH.

I think that one mistake that has been made by the National Lumber Manufacturers' Association is the fact that instead of appropriating $100,000 for the School of Forestry we should have appropriated about $100,000 for a School of Oratory. Ever since I have been elevated

to the position of President I have been chasing around the country receiving and talking to delegations, addressing conventions, and really I have felt at times that I could hardly fill the bill, for you know the ordinary sawmill man of the country does a great deal of his addressing by making signs—it is this way, or this way; but very often when I found that I was billed to address a convention I could generally find some one of the members of our organization who would substitute for me and enable me in that way to meet the situation.

I have a place assigned me later on the program, and do not want to take up too much of your time now in responding to the very cordial welcome that has been doubly extended to us. I do want to say, however, that ever since the subject was broached of coming to Cincinnati I have been in hearty sympathy with it. I think it was Mr. Gerrans who said, when the matter was up in the Board meeting, that if a ball game were going to be played at Cincinnati while we were here he would vote in favor of the association holding its convention in this city.

Now we have gathered and we have got the ball team here. Mr. DeLaney, in his address of welcome, said that if necessary, in order to our better carrying on the work of the convention, he would have a scoreboard put up here on the stage so that we could keep in touch with what the "Reds" were doing. I have felt, however, that we were here for very serious work; and one thing that appeals to me more than anything else particularly is that while coming into the city yesterday, after five days of sleeping on the car, from the other side of the Rocky mountains, it seemed like reaching home to strike Cincinnati. As we came along into the city I heard the buzz of the saw mill, and the buzz of a saw mill to a lumberman always sounds good. I think when we leave here that we will feel that it has been a good place to come to.

If any of these wandering lumbermen requires the key of the city, I should only suggest that somebody buy it for him and charge it up to the advertising fund.

Now, gentlemen, we have Mr. Parker, the President of the National Wholesale Lumber Dealers' Association, and I want to deviate from the program to the extent of asking him to address the convention before we proceed with the regular order of business.

Inter-Association Relations

BY F. E. PARKER, OF SAGINAW, MICH.

Mr. President and Gentlemen of the Convention: I am not an orator. In fact, I think I am in a class far behind Mr. Griggs, as you will easily admit when I get through. But I am indeed very much pleased to come here and to represent the National Wholesale Lumber Dealers' Association.

It gives me great pleasure to state at this time the very kindly relations existing between your association and our association in the many mutual undertakings in which we are now engaged. I believe that there was never a time when association work was so important, when the average individual lumberman, be he manufacturer, or be he wholesaler, needed the offices of this association as much as he does today; and I feel that every man, whether he be a manufacturer or wholesaler, who is outside of the association is not doing his part, and is a parasite and a shirk, for, while he is deriving a great and indirect benefit, he is not, on the other hand, reciprocating by doing his fair share of the work.

Now first, in regard to the relations between the National Lumber Manufacturers' Association and the National Wholesale Lumber Dealers' Association, we rather bow to you as the first association, being the manufacturers, the next in gradation being the wholesalers, and the third the retailers. I would like to see these reciprocal relations between the manufacturer and the wholesaler existing all the way down the line, so that in the handling of the many matters of great importance to lumbermen throughout the country the work could be carried along in unison and in harmony, and I feel sure that thereby better relations could be assured and enjoyed.

ETHICS OF THE LUMBER TRADE

I wish to speak briefly on the ethics of the lumber trade. Today, in the complicated business situation which has arisen from governmental supervision and corporate control, and various other complications, the lumbermen at the present time stand subject to closer inspection, to more acute criticism, too often unfair—criticism such as he does not deserve in my opinion; for I am strongly of the opinion that the ethics of the lumber trade today are higher than ever before, and that we stand well in the front ranks by comparison with all the other businesses. [Applause.]

Standing as I do between the manufacturer and the retailer; standing as our association does between the manufacturer and retailer, we feel that the ethics of the manufacturer and of the retailer are in close harmony with those of the wholesaler.

Now if we are going to keep our good name we have got to work together in these large associations to see that we get fair play, which in my opinion, we have not gotten so far. I think you will all agree with me in this statement.

In conclusion, gentlemen, although my stop here is very short, I feel fully repaid for coming here and meeting this very fine delegation of men. I hope that we will have a good attendance of your members at the next convention of our Wholesalers' association. I hope your very fine President will pay us a visit at that time, and we will try to do everything in our power to make it pleasant for him. [Applause.]

PRESIDENT GRIGGS: The Secretary will call the roll of the Affiliated Associations.

Roll Call

SECRETARY SMITH: I would like to ask if the various delegates here, when the roll is called, will state who are here representing each association. We have the names, but it might be of interest to all present if someone in the delegation could rise and give us a memorandum of the number of delegates we have from each organization. I will now call the roll of the associations affiliated with the National, as follows:

Western Pine Manufacturers' Association
Present. One delegate.
Southern Cypress Manufacturers' Association
Present. One delegate.
Hardwood Manufacturers' Association of the United States
Present. Six delegates.
Michigan Hardwood Manufacturers' Association
Present. Six delegates.
Northern Hemlock & Hardwood Manufacturers' Association
Present. Four delegates.
Northern Pine Manufacturers' Association
Present. Ten delegates.
Yellow Pine Manufacturers' Association
Present. Seventeen delegates.
North Caroline Pine Association (Inc.)
Present. Six delegates.
West Coast Lumber Manufacturers' Association
Present. Two delegates.

Pacific Coast Sugar & White Pine Manufacturers' Association
(No response at this time.)
Georgia-Florida Saw Mill Association (Inc.)
Present. Four delegates.

PRESIDENT GRIGGS: In accordance with the program, the address of the President follows, which, with your permission, I will now read:

Address of President Everett G. Griggs

Ten years ago, on December 10, 1902, this association was organized. We are now celebrating its decennial and are confronted by so many national problems that our future discloses opportunities more absorbing than our past accomplishments.

It must indeed be a source of gratification to the founders of this association to realize the combined strength of its affiliated membership and feel that as a national body we can claim presidential recognition, senatorial courtesy and congressional investigation. Composed, as we now are, of nearly a dozen affiliated associations of 1,000 members, and an annual capacity of sixteen billion feet, we represent the combined capacity of the lumber producing districts of the entire United States.

When you realize that in 1910 the Bureau of Census compiled statistics from 31,934 active saw mills, cutting 40,018,282,000 feet of lumber, 3,494,718,000 lath and 12,976,362,000 shingles, you begin to appreciate what the Department of Commerce and Labor seems finally to have discovered and so haltingly announces that there is no lumber trust.

ORGANIZATION UNITED

We have a business organization capable of doing what it has inaugurated in the past, a great national work in uplifting an industry that concerns a vast army of employees and a wealth of raw product that affects the entire country, federal and state alike.

During the past year your President has been confronted with some problems of membership, but I am pleased to report all have been satisfactorily adjusted. The membership is united and active. On the Coast we have formed the West Coast Lumber Manufacturers' Association, absorbing three others, and vigorously supporting the National. There is a confidence expressed throughout our membership in our honest efforts to accomplish real beneficial results for the entire lumber fraternity. We must look beyond the individual membership and compass in our work the entire industry and even those outsiders who prey upon the combined efforts of others, profiting but not subscribing.

Radical steps were necessary during my incumbency, but your

Board has been unanimous in its recommendations and appreciative of the difficulties encountered. I can only say that I bring you today a united organization, linked together for the common good, and true to the principles that called it into being.

CONFIDENCE OF MEMBERS ESSENTIAL

Associations of independent business organizations must of a certainty pass through travail and trial in meeting the problems of the day. If it is awake and actively alive to the interests of its members it will make itself felt. Its policies, laid down by its organizers and interpreted by its Board of Governors, may not always be approved by the individual membership; but the work of the National association in its ten years has been an epoch in association work and every member may feel proud of its record.

I can not censure too strongly the efforts of publicity seekers to foist upon the public a misinterpretation of the work of the National, and a narrowing of its efforts to the scope of the individual.

If we as an association do not take up the cudgel and fight for our rights, who in Heaven's name will? If we are to reward conscientious individual effort toward the betterment of our associated condition with censure and distrust, where can we look for sacrificing personality? The success of this association is not determined by the men who occupy the honorary positions, but by the confidence imposed in it by its entire membership.

REMOVAL OF THE MANAGER'S OFFICE

During the past year, and immediately on succeeding to the office of President, I found it absolutely necessary to recommend to the Board the removal of the Manager's headquarters to the West, where I could be in close touch with the organization. At the end of a year, and by that same authority invested in me by the Board, after launching into the advertising campaign, and being unable to again meet the Board before this annual meeting, I authorized Mr. Bronson to again establish his office in Chicago, where he could conduct the association work and be in touch with the advertising committee.

I know the move has resulted in a strong supporting flank on the West Coast, and not a little credit is due both the Manager and our Treasurer, Mr. Freeman, for the attitude of the West Coast manufacturers.

The frequent exchange of ideas and the necessity of familiarizing the National with the conditions and men in each component part is my reason for insisting upon at least occasional visits to the different associations by our Manager.

There will be from time to time organizations and reorganizations, but I trust the lumbermen will ever maintain that respect for the National which it deserves and which is indicative of the character of the men who founded it. No matter how strong, either financially or numerically, the individual associations, there is still that great field in the National work that can only be filled by the larger organization. Maintain it at all hazards; it will prove its importance in the years to come, and it will survive all the petty disturbances that the local associations must of necessity inflict upon it.

MAGNITUDE AND DIVERSITY OF LUMBER INDUSTRY

We are concerned in the welfare of an industry employing the largest body of laborers in the United States, affecting the one asset in the country of which the government itself is the largest individual owner, permeating in its ramifications all the conservation theories of the day, and controlling through its timbered area many irrigation problems; an industry furnishing more tonnage which concerns the railroads and population of the country than any other.

The proper utilization of our trees can only be brought about by national coöperation, because few communities where timber is growing can utilize locally the entire product of the log. Transportation problems confront us, and freight rates play the most important part in the disposition of our product. Every day new problems concern us and nationally we must meet them.

I have asked the Manager in his annual report to cover in detail the operations of the past year, so that I will confine my report to generalities.

STATISTICAL INFORMATION

In the work of the association I had in mind the practical working out of statistical information that would be concise and accurate and promptly received by the membership while it was of value. The Secretary, with headquarters at St. Louis, has worked out some valuable statistics, which will grow in value as comparisons can be made. To be of better service it is only necessary for the membership to

return responses promptly. I believe we are on the road to securing data that will be of the utmost value to the association and statistical information that will be authentic. We hope to secure in time a businesslike inventory of our timber holdings that will controvert the alarming assertions of the timber famine bugaboo.

With the now defunct reciprocity and its attendant waste in our own log operations, the estimate of standing timber would be very easily modified. Unless we can find a market for the entire tree the amount of timber cut to the acre will vary tremendously and will nullify all estimates of standing timber. The people must realize that as prices advance, timber holdings previously unavailable are opened up, and with higher values less of the tree is wasted. The same devastation takes place with timber that has taken place with every surplus nature has favored us. Timber was cleared to make farms, farms sold to make cities, and water has been going to waste for years and will until the population warrants the investment necessary to harness it.

LUMBER TRUST IMPOSSIBLE

During the past several years the efforts of a venal press and political factions to establish in the eyes of the public a "lumber trust" seemed paramount. It would take the genius of a divinity to bring this to pass, and the aggravations of the lumber business do not breed this kind of an organizer.

You are all familiar with the correspondence which has been made public through the press and through it all must realize a hidden purpose to harass the industry.

It is nothing less than criminal to allow the personalities of the tariff issue and the Senate squabbles to poison the minds of the people regarding the manufacture and sale of lumber. I believe that political interviews from the President of the United States should be so censored that no injustice could be done. If the attitude of the Administration is such that the lumber manufacturers are to be continually misrepresented, it is apparent that we are negligent in not refuting these statements as often as they appear. When the story is finally written of the tariff fight, the reciprocity campaign and the free pulp for paper, we may understand the attitude of politician and press. I believe we have a right to know the cost to the government of this investigation and its results.

LUMBERMEN PIONEERS IN DEVELOPMENT

No set of men are doing more for the development of our country than the logger and lumbermen. Pioneers they are, and have been in the front rank and on the firing line, facing financial crises with brain, brawn and borrowed money; developing the latent resources of the country and striving to convert into marketable products everything of value that the log contains. It takes something more than theory and conservation propaganda to meet pay rolls and develop the country. Instead of being despoilers of the realm, they are the builders of the country. Come with me to any community where the lumber manufacturer and logger resides and I will show you men identified in every way with civic improvement and progressive development.

Waste is the loss in efficiency which every manufacturer deplores, and if, as someone says, the packers' secret is to save everything but the squeal, it is surely our province to save even the bark. Transportation and taxation are controlling factors in our operations and no man escapes either.

LARGE INVESTMENT REQUIRED IN LUMBER OPERATIONS

Disappointed, it would seem, in being unable to locate a lumber trust, we are told that a most appalling and unfortunate condition threatens the country in that our timber control is passing into the hands of three interests—and two of these are railroads that have passed through receiverships and every other financial disturbance and are hungry for freight. Some men invest in mines, some in real estate, and some men in timber. The risk of fire in timber investment, coupled with the outlay of taxes, merits some return, and entices capital only insofar as it assures profit. It requires a large investment to undertake permanent operations and the prosperity of our country depends upon successful operations.

LABOR DIFFICULTIES

I can not but feel that the men who occupy high positions in the councils of our country should pause before they jump at the throat of the lumber industry or any other, because of the encouragement in a lesser degree of the socialistic agitators who are prompted in their tirades against the world. The anarchistic doctrines now running riot

are against law and order and stand for revolution. Given free rein, their leaders openly advocate a Labor Trust, and preach sedition, disrespect to the flag and the abolishment of the wage system.

I do not wish at this time to give undue prominence to the Industrial Workers of the World movement, but I believe that our forefathers have sacrificed too much blood in establishing the great American republic to allow sedition, riot and revolution to be preached throughout the land. Must it ever take some frightful holocaust, some explosion like the Times, some Titanic marine disaster, to turn the American people from paths that lead but to loss of life and principles? Do we realize that there is a spirit of unrest at home and abroad stirring up revolution? From Atlantic to Pacific, from the Gulf to British Columbia, you will find men inciting these very things. It may be the forerunner of returning prosperity and will lose itself, as did Coxey's army, but those of us who have come in contact with it and have any red blood in our veins must chafe at the teachings and documents that are sown broadcast and recognize the disrespect shown our national emblem. The tactics employed in the West are the same as employed in the East, and we American citizens must wake up to the necessity of stifling this dissension breeder.

CAPITAL AND LABOR INSEPARABLY LINKED

The lumber business has passed through a serious ordeal during the last few years, with tariff issues, price difficulties, lessened demand, and severe curtailment. It is but natural to assume that these conditions have affected both capital and labor. Both have suffered alike, as they always will. Where labor is such a large factor in the selling price of lumber the reflection of a disastrous market is felt throughout the land. Conversely the return to prosperity is similar in its effect. The broadened market occasioned by renewed demands of railroads and industrial development is reflected in the saw mill pay roll. Capital and labor are inseparably linked in this development and are controlled by that inexorable commercial law of supply and demand.

The preaching of new doctrines and isms to readjust the present day ills may give political prominence to their advocates for a time and cause honest labor to be misled temporarily, but until capital becomes so unmindful of its welfare as to divorce itself from prosperous labor conditions there is little fear of the final outcome.

When the logger and lumberman are happy, their labor is equally

so. It is a business where merit is rewarded, and justly so, as efficient labor has much to do with the balance sheet. Look over the successful operators and you will invariably find men who have worked their way to the top. The man who wheels sawdust today is running the saw tomorrow, if he prove himself capable. The sawyer becomes the superintendent and the superintendent the manager—and there is always room for the man who is not looking for salt pork and sundown.

WELFARE OF EMPLOYEES SHOULD BE HEEDED

Under these conditions it is little short of criminal for an organized gang of traveling hoboes to inflict themselves on a community and be permitted to attempt to spread dissension and disquietude, which always affects the innocent ones in the end. To that class of labor that is devoid of ambition or education it is important that we as operators and employers give some heed.

Where personality no longer appeals and industries become so large that men furnishing the capital do not recognize the hardships of labor, it is important that greater heed be given to the welfare of the employee. Efficient labor is greatly to be desired and the work of some employers, together with the Young Men's Christian Association industrial secretaries and their collaborators will bring about benefits apparent to all who have tried this method. Establish during noon hours the facilities for promoting this work; disseminate the right kind of literature and reward energy and industry and we will counteract the lawless soap-box orator and agitator. Married men and less whiskey and licentiousness will work wonders in our industrial conditions. If dividends are sought at the expense of our citizenship it will not profit us.

I believe the employers are realizing more and more the obligations they owe to society and if the employee can be brought to assume his own responsibilities the condition of labor will continue to improve.

WORKMEN'S COMPENSATION ACT IN WASHINGTON

The State of Washington has been alert to the welfare of her laborers in the Workmen's Compensation Act recently adopted. Among other states it has taken the lead and the report of our Committee will show with what results. The lumbermen of our state willingly initiated this work. Conditions prior to the adoption of this

law were well-nigh confiscatory. It is the same in all manufacturing states. The elimination of a class of blackleg lawyers, professional jurors and corrupt witnesses has been one of the benefits of this legislation. It has removed the necessity of contributing any portion of the pay roll or operating expenses to outside capital and has resulted in prompt payment of money benefits to the unfortunate employee and his beneficiaries in the time of need, and without any of it sticking to other hands.

I recommend careful consideration to the report of this committee that we as a National association can play our part in improving labor conditions in hazardous employment.

We will profit by the mistakes of others and improve conditions by lessening the opportunity of accident. As much care and more should be exercised in the prevention of accidents as of fire. Inspections should be frequent and penalties to the careless employer and laborer alike inflicted.

FIRE PREVENTION AND INSURANCE

I believe our associations have accomplished as much good in fire prevention and insurance laws as in any other field. It is only by united action that we can bring the importance of this work to the attention of our state and federal government alike. We are guardians not only of our own property, but of the vast holdings of timber of the state and government. Where standing trees have value their protection is an obligation the government officials too often fail to realize. The burning of adjoining tracts affects all and menaces the property rights of others. As logging operations continue, changed conditions prevail and the proper disposition of the entire tree is as much a national question as it is an individual one.

DEVELOPMENT OF LOGGED-OFF LANDS

We should be awake to the proper use of our logged-off lands and reforestation. It will require a national movement to properly adjust our taxation laws so that our present timber holdings can profit by the mistakes of the past or the country can adopt sane laws of conservation and reforestation. Each district must be studied intelligently and a sentiment aroused that will appreciate the value of timber. Reforestation will never be practiced if lumber has no value.

We can not expect men, who are striving to make operations pay under present conditions, to give much thought to generations yet to come when they have difficulty in taking care of the present.

In some sections of our country timber is the only crop that is developing the district, and population and transportation play a very important part in the value of the tree.

I believe we should continue our coöperation with the Forest Service, and I can not praise too highly the philanthropic efforts that the National association has made in the past in establishing schools of forestry. These contributions and the continued support our manufacturers are rendering along similar lines go a long way in combatting the assertions of scandal-mongers, magazine writers, and their kind.

FORESTS SHOULD RECEIVE ADEQUATE PROTECTION

I believe we should exercise every effort to secure adequate governmental appropriations to protect the country's forests. It is certainly good insurance for the future welfare to provide nationally a fund equal to 1/10 of 1 percent of the value of standing timber today in the National forests. This association should and must be in close touch with our national government on all these policies.

IMPORTATION OF INJURIOUS INSECTS SHOULD BE PREVENTED

The necessity of coöperating with the government, both national and state, in preventing the importation of insects detrimental to fruit trees and the forest growth of our country is a matter which has been brought to my attention by a number of our interested operators and timber owners. It will require the attention of a strong committee and the endorsement of this association to take the necessary steps to prevent the detrimental effect caused by the spread and increase of these insects if proper prevention is not undertaken at once.

I am a convert to this conclusion: That it takes more than a congressional term to educate any business man—and tariff issues must be studied by experts and with time to delve into the intricacies of each individual case.

In carrying on the work of this association we are securing facts and figures which are as vital to the welfare of the whole United States as the agricultural figures of any crop that concerns humanity. We should be prepared at all times to show an inventory and a balance sheet.

PUBLICATION OF ASSOCIATION BULLETIN

I had hoped ere this to have published regularly, and at least monthly, a bulletin recapitulation of general statistical information concerning the lumber industry. It will be issued and I believe will be interesting to our membership. The affiliated associations will have to secure accurate and reliable data and promptly forward it to the Secretary to bring about the results we anticipate, and I am confident will be secured.

Our association Credit Book, known as the Blue Book, has been made the object of a lumber trust tirade as rank as it is unjust. No sane business can be conducted without the best credit ratings and every business man knows that we get caught with some bad accounts despite our precautions. As long as there are crooks, cranks and critics, we will have failures and losses.

PROPOSED ADVERTISING CAMPAIGN

The peculiar license that allows a man to make his living by publishing lies to inflame the public mind will have to be met by an appeal to libel or an advertising and publicity campaign so straight, sincere and above-board that it will counteract these libelous attacks. I believe that in our advertising work and the committee as now constituted we have accomplished the grandest work yet undertaken by the National. People want to know the facts, are hungry for information, and we have now provided the best means of reaching them. No committee will care to undertake a work of this magnitude without the unanimous assurance of this membership that their obligations will be cared for and the further assurance that the whole force of this magnificent organization is behind it. I congratulate the committee on their excellent start and have every confidence in the success of their efforts.

RAILROAD PROBLEMS

Our railroad work has been handicapped by lack of committee organization, but I am pleased to state we have secured a number of willing workers who will push this work. We have so much to accomplish in legislation governing equipment, freight allowances, actual freight paying weights, master car builder sizes and grades, that coöperation on these lines is essential.

STANDARDIZATION IN LUMBER MANUFACTURE

Our standardization work is a tedious operation, but essentially so. There is no more necessity for a half dozen different thicknesses of ceiling, drop siding, flooring and dimension, when used for the same purpose, than for the railroads returning to the old link and pin couplers or narrow gauge rails. We should have national standards and any other patterns would be charged for.

PANAMA CANAL TOLLS

Our West Coast and Gulf states are vitally concerned in the Panama Canal tolls, as is every consumer of lumber. So many questions are involved that I believe the National association can not take issue, but there is a safe, sane solution of these commercial question so vital to our country's prosperity that I bespeak for this question your careful consideration. A readjustment of transportation rates and charges must result on the opening of this great waterway and no false premises should be assumed. We as lumber producers will be drawn more closely together and the country will be benefited at large, and justly so. We must realize that the country is a unit on its national policies and can not legislate against any one district.

NATIONAL CHAMBER OF COMMERCE

I am greatly impressed with the dignity of the National Chamber of Commerce of the United States and its ultimate results, which was recently formed as the result of conference in Washington. I believe it will mark an epoch in business development as viewed from a federal standpoint. Our lumber interests are given full consideration and will be looked after.

I wish on this occasion to thank the Board and Committees of this association for their active, energetic coöperation during the past year. The difficulty of getting together must be apparent to all, as we come from the four corners of the United States. The prompt attention to the details of our work and the quick responses to our written requests have made it a pleasure to be associated with such a fine body of men. [Applause.]

PRESIDENT GRIGGS: The next report will be that of the Manager, Mr. Leonard Bronson.

Report of the Manager

A summary of my expense account shows a considerable amount of traveling since the last annual meeting, May 24 and 25, 1911.

June 10-15.—A trip to Washington and New York.

June 18-July 9.—Another trip to Washington and New York. Both of these trips were on instructions to do what was possible in opposition to the Reciprocity Bill, and New York was visited on a special errand of the Board.

July 13.—From Washington, D. C., I went through to Tacoma, Wash., attending annual meeting of the Pacific Coast Lumber Manufacturers' Association and conferring with President Griggs.

July 18.—Left Tacoma for the East and by President Griggs' instructions went through to Cincinnati and Ashland, Ky., on special business for the Association, returning from Cincinnati to Chicago.

July 29.—Left Chicago for Tacoma.

August 14.—A visit to Seattle.

August 18-21.—Attended meeting of Oregon and Washington Lumber Manufacturers' Association at Portland, Ore.

August 24-26.—Meeting of the three North Coast Associations at Raymond, Wash., where they were consolidated into the West Coast Lumber Manufacturers' Association.

Sept. 17-18 and Sept. 29 to Oct. 1.—Visits to Portland; one in the interest of the Advertising Campaign.

Oct. 3 and 27.—Visited Seattle the second time to advocate the Advertising Campaign before the West Coast Lumber Manufacturers' Association.

Nov. 3.—Visited Seattle to interest the shingle men in the Advertising Campaign.

Nov. 10-13.—A trip to LaGrande, Ore., attending a meeting of the Western Pine Manufacturers' Association, when it assured support of the National Advertising plan.

Nov. 17.—Visited Seattle and Port Blakely on business of the Association.

Dec. 3-5—Attended Forestry Convention at Portland, Ore.

Dec. 22.—Visited Seattle on Association business.

Jan. 2.—Left Tacoma for the East in behalf of the Association.

Jan. 5-12.—Was in Chicago Jan. 8, attending the meeting of the Board of Governors and of the Advertising Campaign.

Jan. 13-14.—In New Orleans, La.

Jan. 15-16-17.—Attending meeting of Western Classification Committee at Galveston, Texas, thence visited Houston, Kansas City and St. Louis in interest of Advertising Campaign, Jan. 23, arriving in Chicago.

Jan. 28-31.—At Cincinnati, attending meeting of Hardwood Manufacturers' Association of United States, which endorsed the Advertising Plan.

Feb. 1-2.—In Washington, D. C., on account of correspondence with the President.

Feb. 3.—In Cincinnati.

Feb. 4.—In Memphis, Tenn., on Classification Committee matters.

Feb. 5-8.—New Orleans at meeting of the Yellow Pine Manufacturers' Association, at which National Advertising was endorsed and its success assured.

Feb. 9-11.—In Chicago, leaving there for Tacoma, arriving—

Feb. 14.—Remained in Tacoma with the exception of several trips to Seattle until—

April 2.—Left for Chicago, to which my office had been transferred.

April 9.—Visited St. Louis in reference to Advertising Fund.

TOTAL—Distance covered, about 29,200 miles.

Days absent from office, 126.

The Manager should attend the principal meetings of all the affiliated associations, and in connection with such visits, or especially, visit as many as possible of the important manufacturing districts. This is necessary to keep in touch with the needs of each section and to get first hand suggestions and advice. To do this requires a capable person in charge of office details and correspondence. I have been fortunate in that respect until my recent removal to Chicago, where office organization is delayed pending this meeting. In addition, the advertising work will require someone in constant charge of its details, subject to control of the advertising committee through the Manager.

REPRESENTATION AT CONVENTIONS

The association has been represented at several important meetings during the last year, in some cases by regular officers, and in other cases by special representatives.

Revision of the Western Freight Classification has occupied two sessions of the Western Classification Committee; one held in Milwaukee and the other in Galveston. The Milwaukee meeting was attended only by Mr. Charles E. Brower, of Memphis, Tenn. The meeting at Galveston was attended by Mr. M. B. Nelson, Kansas City, Mo.; Messrs. W. B. Roper and John M. Gibbs, both of Norfolk, Va.; J. B. Philipps, of Jacksonville, Fla.; W. B. Morgan, Memphis, Tenn., and your manager, and several lumbermen of Galveston and Houston, who found it convenient to be present. The work done by Mr. Brower will be the subject of a special report.

The association was represented at the National Rivers and Harbors Congress, December 6 and 8, 1911, by Mr. J. N. Teal, Portland, Ore., who made an address on the Panama Canal question.

It was specially represented at the Fire Insurance Congress, St. Paul, by W. A. Gilchrist.

President Griggs, Capt. J. B. White, Chairman of our Conservation Committee, and Mr. R. A. Long were representatives of the association at the Third National Conservation Congress, September 25-27, 1911.

April 22, 1912, Mr. R. M. Carrier, member of the Board, attended a hearing of the Interstate Commerce Commission at Chicago in the interests of the association.

In Washington, D. C., April 22 and 23, when was organized the National Chamber of Commerce of the United States, duly appointed

delegates from the National association were: J. N. Teal, Horton Corwin, jr., W. E. DeLaney and A. C. Dixon. We will have a report from Mr. Dixon on this meeting.

IMPORTANT MEETING OF THE BOARD OF GOVERNORS

On January 8, 1912, an important meeting of the Board of Governors was held in Chicago, at which the plans of the Advertising Committee were approved, and it was authorized to proceed as soon as an annual subscription of $100,000 had been secured.

This meeting also received a report from the Defebaugh Memorial Committee, approved of the design submitted, and appropriated the additional funds necessary to erect the window as proposed.

STANDARDIZATION

It is a matter of regret that the Standardization Committee, whose duty it is to attempt a standardization of lumber manufacture, and further, to inquire into what can be done in standardization of grades, is not able to report progress at this meeting.

The Committee is an able one, and has shown interest in the matter of which it has charge. I quote from a letter from the Chairman of the Committee, Mr. John A. Bruce, Strader, La.:

"I regret very much to advise that on account of sickness during the greater part of the last three months and a serious fire here in January, has prevented me from doing anything on the work of Standardization. I have been on the point of handing my resignation as chairman of that committee to President Griggs several times during the past four or five months for these reasons. However, I did not do so, figuring that I would promptly be able to take up the work in earnest and also because I felt that the president made the appointment because he wished me to serve. If it is the pleasure of Mr. Griggs that I take up this work as soon as possible, even at this late date, I am willing to do so, and will be pleased to have you advise me of his wishes.

JOHN A. BRUCE."

THE RAILROAD COMMITTEE

This is one of the most important committees of the Association, and the work it has in hand is delicate, and sometimes laborious. This fact seems to be recognized, for it was difficult to obtain acceptance

of appointments to this committee, and no one was found who would accept its chairmanship; but, as you will see on the program cover, we have secured the service on this committee of leading men in nearly all the associations. They are all specially fitted for the work and represent so many different sections and freight conditions that they should be able to handle successfully any question of common interest to the industry that is placed before them.

Under the guidance of this committee should be handled such matters as freight classification, methods and conditions of weighing, and negotiations with the railroads for adoption of weight standards; car construction and equipment laws and regulations; interstate regulations for the handling of logs, milling-in-transit and concentration rates, etc. This committee, I believe, can settle the car stake question to the satisfaction of lumber and other shippers. A number of questions have been submitted by affiliated associations to this committee for consideration.

There are some matters with which the National association can not deal. Among them is usually freight rates that involve competition between different sections; but in the case of a proposed general advance the National, led by its Railroad Committee, should take charge.

All of our associations from time to time have cases before the Interstate Commerce Commission, some of them of national scope. Their railroad departments have enough to do with affairs that particularly concern them without duplicating the work of others. The National Association by taking charge of these matters of common interest can save money to the industry and produce results impossible to the individual association.

Yet a well organized railroad department of the National association will cost money. The Committee itself cannot do effective work without some expenditure, which if it is necessary to attend hearings before the Interstate Commerce Commission at distant points, or if the employment of special counsel seems desirable, may be considerable. I venture to suggest the financing of the association so that the Railroad Committee may not be hampered in its work, nor its chairman and members be obliged to pay their expenses out of their own pockets.

EMPLOYERS' LIABILITY AND WORKMEN'S COMPENSATION

The law relating to employers' liability and workmen's compensation is in the process of making. Most, if not all, of the acts on the statute books of the different states are admittedly experimental; only ten States have adopted such acts in any shape, and in only four of them have the acts been successfully tested in the courts.

Our committee on this subject hopes that, out of the consideration they are giving it, with the assistance of lumbermen generally, and guided by the experience already reached in various States, it may be able to frame an act which, with perhaps slight modifications, will be adapted to the needs of the lumber industry and employers generally in all States of the Union.

The National Lumber Manufacturers' Association, as such, can do little toward securing the enactment into law of such a measure, when framed; but it can group up the experience of lumbermen everywhere and can frame a law suited to their needs and the needs of their employees, and then state, sectional or local organizations must work for its adoption.

Apparently the best workmen's compensation act now in effect is that of the State of Washington. The ideal law, which protects both workmen and their employers, should secure justice for the one without undue burden on the other, and should be simple and prompt and certain in its application. Such a law would result in a larger average of compensation to the victims of industrial accidents or diseases, and may well be expected to lessen the cost to employers. The fifty to seventy-five per cent of the money paid by employers under the old system, which never reaches the pocket of the injured workman or the dependents of those killed in industrial accidents, might well be split between the two classes to the benefit of each. In such a process only the ambulance chasing lawyers and the indemnity companies can be the sufferers.

THE BLUE BOOK

The "Blue Book," compiled and published by the National Lumber Manufacturers' Credit Corporation, has made substantial gains within the last year. It is serving the financial wellbeing of the lumber industry and the lumber trade, and is worthy the support of all lumber shippers. Its users generally claim for it especial reliability.

It has a particular claim upon lumbermen affiliated with the National Lumber Manufacturers' Association, whose child the credit association is.

STATISTICAL DEPARTMENT

Under the administration of President Griggs, the collection of reports regarding stocks on hand, cut and shipments, has been undertaken. At first the number of reports was small, but it has been increased until now the figures received represent about one-third of the entire lumber product of the United States, or in the neighborhood of fifteen billion to sixteen billion feet. This report, if loyally maintained by the members of our association until comparisons are available, will be of incalculable value as indicating the general situation. It gives a good line on conditions of the leading building woods, but it is not so satisfactory in regard to the hardwood districts, nor does it touch at all the extreme northeastern part of the country whose local conditions as to supplies have a great influence on the big eastern markets. I beg every member to contribute to this compilation and carefully to read the monthly bulletins which contain it. We believe that this statistical work can be enlarged with great profit to the industry. We wish to determine during the coming year the fundamental facts of the business. We want to know more definitely the life of the industry as based on standing timber. We want to know the labor situation in different parts of the country; and generally, and from reports of members and other sources, it may be possible to determine the trend of lumber and timber values and make these facts known to the industry at large.

THE ASSOCIATION BULLETIN

Heretofore announcements to the individual members have been sent out from the offices of both the Secretary and Manager, but President Griggs has had in mind publication of a bulletin to the industry to be issued not less often than once a month, and as often as matters of importance are to be communicated; and that this bulletin should be the means both of communicating information to the members and thus keeping them in touch with its activities, and of gathering for our mutual benefit to a central office all the matters which are of common interest. I have submitted to the Board of Governors estimates as to the cost of such publication. It will contain the monthly statistical reports with comments on them. It will give to the members information regarding railroad matters and local, state and national legislation, it will give warning of impending dangers. It will be the means of intercommunication between the different sections of the country and should result in weaving into an effective body all the lumber manufacturing interests of the United States. It will not be a publication that will conflict in any way with the newspapers, general or special, but will briefly and pointedly call to the attention of the lumber manufacturers of the country matters of interest to them.

ADVERTISING AND PUBLICITY

The subject which took the most time and attracted the most attention at the Annual Meeting last year, was the advertising of wood as against its substitutes.

The subject was introduced by Mr. W. A. Gilchrist, of Memphis, Tenn., in an able address, which went into details as to the attack being made on lumber by substitutes, and the methods used to promote these substitutes. Mr. Gilchrist was followed by Mr. A. T. Gerrans, of Houma, La., who reinforced his argument by concrete examples of the methods by which the use of woods has been curtailed in favor of other materials. Mr. G. E. W. Luehrmann, of St. Louis, Mo., told of the experiences of gum producers in specialty advertising. Several other gentlemen contributed to the discussion, which impressed upon the delegates the need of action along advertising lines.

The outcome of this discussion was the appointment of a Committee on Advertising and Publicity, consisting of A. T. Gerrans, Houma, La., J. E. Rhodes, St. Paul, Minn., and G. E. W. Luehrmann, of St. Louis, Mo.

This committee, consisting of men who were personally interested in the work, and had had experience in advertising lines, distributed to all the members under date of June 30, 1911, a report with recommendations. The Committee recommended that the National Lumber Manufacturers' Association enter into a practical and efficient advertising campaign; that it be carried on by an executive committee on advertising, consisting of five members, one each from the West Coast, Yellow Pine, White Pine and Hemlock, Hardwood and Cypress Industries; that the President appoint the chairman, and other members of the Committee, to serve for three years; that the committee be given full authority to establish and maintain an advertising bureau, to secure the ablest and best qualified counsel or agent, and to employ

the necessary assistants for the purpose of following up the public interest developed; that the Secretary of the National association should collect all funds; that a method should be devised for the committee to handle the money appropriated for the purpose, and that at least three months' advertising funds should be placed at the disposal of the committee prior to the beginning of the expenditure.

In pursuance of these recommendations the committee was enlarged to five, the original members being continued, with Mr. Gerrans as chairman, and Messrs. J. B. White, Kansas City, representing Yellow Pine district, and George S. Long, Tacoma, Wash., representing the West Coast, were added.

Immediately work was begun to secure the support of the Associations in this campaign; contributions being asked on the basis of one cent for each 1,000 feet of lumber produced, it being estimated that if all the affiliated associations joined the levy would produce $125,000 to $150,000 a year. But in view of the fact that some associations might not be able to join on this assessment basis it was decided that the campaign should be undertaken when $100,000 had been thus subscribed.

At the beginning the Southern Cypress Manufacturers' Association was committed to the campaign; then the North Carolina Pine Association heartily endorsed the movement and promised such support as could be secured from its individual members; the Georgia-Florida Saw Mill Association adopted the plan. On Oct. 27, last, the West Coast Lumber Manufacturers' Association authorized the necessary assesment of its members; and on Nov. 12, 1911, the Western Pine Manufacturers' Association, whose Constitution requires that their assessments must be levied by the unanimous vote of the membership, appointed a committee to secure this unanimous consent, which, I understand, has been secured. Coöperation of the Northern Pine Manufacturers' Association was assured; and then on Jan. 29, 1912, at its annual meeting at Cincinnati, the Hardwood Manufacturers' Association of the United States came into full coöperation. The next week, at New Orleans, the Yellow Pine Manufacturers' Association authorized a voluntary assessment of two cents per thousand feet upon the product of its membership, one-half of which should be used in Yellow Pine advertising and one-half be contributed to the National campaign.

This assured, so far as pledges were concerned, more than the

$100,000 necessary before the campaign was begun. At a meeting of the Board of Governors on Jan. 8, 1912, the work of the advertising committee was approved, and authority was given to the committee to proceed with the actual work as soon as the sum of $100,000 was fully pledged.

On March 30, a call was sent out from the Secretary's office to all the contributing associations for payment of 25 per cent of their annual subscription.

The Committee and your Manager have also been engaged in securing the interest of lumbermen outside of our affiliated associations. We are confident of support from some important timber and yellow pine interests. The shingle manufacturers of the northwest and eastern lumber manufacturers and dealers have expressed interest in the work.

PUBLICITY

The advertising campaign will mean far more than merely the buying of space in the publications and filling that space with well prepared copy, and it will mean more than a follow-up campaign, no matter how thorough or ingenious.

The lumber business is not in good standing with the press of the country, due in part to the talk about a "Lumber Trust," but very largely to the fact that the business has not advertised to any material extent, in the papers which lead in newspaper policies.

Unprejudiced publicity is one of the things we want, but the business management of the papers objected so long as they thought that our plan was to get it for nothing. While editorial or news space can not be bought in respectable, responsible periodicals—which, by the way, are the very ones that we need—their publishers have the spirit of fair play and good fellowship to the same extent as other people. Liberal advertisers are treated as generously in the news and editorial columns as good newspaper policy and ethics will permit.

The full publicity results from lumber advertising can be secured only by uniting all lumber advertisers in a certain community of interest and influence. The National Lumber Manufacturers' Association may spend $100,000 or more a year for advertising; but such an amount could be spent in comparatively few publications out of the many thousands in the country, each of which has its share in forming public opinion. But other lumber associations than the National

are advertising, or will advertise. No inconsiderable part of lumber advertising is done by individuals in local papers or special mediums.

Now let all these associations and all these individuals join their influence in demanding of the papers fair treatment of the lumber business—not treatment prejudiced in our favor, but let us demand that they shall merely treat us as fairly as they do other lines of business; that their columns shall be opened to the same kind of news of the lumber business that they are in regard to others; that where the character of it permits they shall handle matters favorable to the lumber business as readily as matters favorable to other lines. In short, to abandon their prejudice against us in favor of at least an impartial attitude.

Can we bring this concert of action on the part of lumber advertisers to pass? I believe we can. All lumbermen of whatever class—manufacturers, wholesalers, or retailers—keenly feel the injustice with which they are treated, and should be, and I believe will be, glad to coöperate in a legitimate, businesslike way for the purpose of remedying the present regrettable condition.

For example: In case a specially vicious attack is made upon the lumber business an article refuting and combating that attack can be distributed so as to reach practically every lumberman in the country. Hundreds of these lumbermen are advertisers. Let them individually take this article to the papers with which they are doing business and say to them:

"An attack has been made upon the lumber business which we believe is not justified and is unfair. We would like to answer it. In the interest of fair play it should be answered. We ought to have a chance with the public as against those who traduce us. Won't you publish this in such form as you please as the answer of the lumbermen, and my answer, to the charges made against them?"

Such a fair demand, I believe, would be responded to very generally. I have had articles of this sort published in hundreds of country papers through this very means.

The advertising campaign is a definite matter requiring a pretty definite amount of money, whereas a publicity campaign may legitimately require varying amounts of money, which should come from a separate fund. We refuse to bribe anyone, we refuse to buy that which should not be sold, but absolutely legitimate publicity may cost something in its handling, and, therefore, I would recommend the establishment of a publicity fund of moderate proportions, but which will be instantly available when needed.

THE RETAILERS' RELATION TO SUBSTITUTES

A few weeks ago I had the opportunity of addressing the annual meeting of the Western Retail Lumbermen's Association, the great retail organization which covers all the western mountain and coast states, in support of our advertising campaign.

The fact has developed through correspondence and by personal contact with representatives of the retail trade, that while the retailers have lent themselves to the promotion of wood substitutes they are beginning to realize their mistake. They followed the line of least resistance, supplying what their customers had been educated to ask for, and because wood substitutes seemed to offer better profits than the regular lumber lines.

But retail lumbermen are, for the most part, lumbermen first and general building material dealers only secondarily, and they have found that when they assist in building up a demand for substitutes for lumber they are cultivating a trade which is easily taken away from them, either by mail order houses, or by the producers or distributors of the substitutes. Consequently, I find that the retail lumbermen now, as a class, are anxious to get back into the lumber business as their principal, if not their only, line. This tendency should be cultivated by lumber producers. It lies within the power of practically every member of the associations affiliated with the National, thus to assist in opposing the improper substitutes for lumber, and in promoting legitimate lumber use, in his relations with his retail lumber customers.

RECIPROCITY WITH CANADA

In view of the fact that some members of affiliated associations more or less seriously objected to the activities of the National during the past year in opposition to the Canadian reciprocity bill, reference should be made to it.

At the annual convention at New Orleans, in 1910, the activities of the association in behalf of retaining a duty on lumber imported into this country were approved and also the continuance of that activity. At Chicago last year similar action was taken approving the efforts made to defeat the Canadian reciprocity bill in the form it was

presented and approving a continuance of the effort. Consequently, I feel that no personal criticism is due to those who represented the association in Washington, provided they performed their duties intelligently and in a manner compatible with the dignity of this body. In this respect I believe that there is no ground for criticism.

There was no opportunity to present this matter before the House Committee, but advantage was taken of the hearings extended by the Finance Committee of the Senate, and I believe that the entire membership of the Finance Committee, whether republican or democratic, in favor of or opposed to the bill, was convinced of our sincerity and was impressed with the arguments placed before them.

Our position was the more respected because we did not play politics. We made no trades; we entered into no alliances, entangling or otherwise; we worked through no other channels; brought to our special aid no other element opposed to the bill; but stood on the merits of our own case. When the final vote came and the reciprocity bill was adopted we accepted the decision and made no effort whatsoever to affect the campaign in Canada, which we were charged with doing.

The National Lumber Manufacturers' Association's record is absolutely clean and open in all this matter. I am glad to be able to assure you that whatever your opinions might be as to the merit of the reciprocity bill or the policy of the association toward it, you need not be ashamed of any acts or policies in this connection of those who represented you. What was done was in pursuance of the strongest possible mandate that could come from a body such as this to its executive officials.

THE LUMBER TARIFF

The tariff matter is not closed. The probabilities are that in the next session of Congress a proposition will be made to put lumber upon the free list, perhaps in connection with other tariff revisions, but perhaps as an independent measure. It will be for the association to say what, if any, steps shall be taken in connection with such a proposition.

Allow me to speak frankly as to what I have learned as to the attitude of lumbermen in this matter. The majority believe that in the interest of conservation there should be such a duty as we have at present, which, being specific, is protective only upon the lower grades; and that national fair play would require, so long as we are operating under our present financial system, that the very small duty

upon lumber should not be disturbed, and that this is true whether the tariff be viewed either from a protective or revenue standpoint. Some sections feel that their comparatively new or heavily burdened industry needs some protection.

On the other hand, there are some who are opposed to any import duties whatsoever, even for revenue. There are more who feel that the protection to lumber is so slight under the present tariff that the benefit of its retention is hardly worth the cost of an effort to retain it or any criticism that it might arouse.

A distinguished senator only three months ago said: "I think even you have little idea of how intense the prejudice against the lumber business is. Almost everybody here in both ends of the Capitol knows that there is no lumber trust, but public opinion has great weight and I believe that if somebody were to get up in the House and offer a resolution that all sawmills should be burned and all private timber confiscated it would pass with a whoop."

This was a cartoon, but it expressed a fact which a good many of our people recognize when they say that it would be better not to make another fight for an import duty on lumber—that if lumber be put upon the free list, while many lumbermen will suffer in one way or another, the people, after all, will be the chief losers.

Yet some lumber sections and some special classes of producers feel that the maintenance of the duty is of great importance to them. Recently I have been asked to bring the influence of the association to bear against the growing importation of Mexican pine and of Asiatic oak. Manufacturers on our North Pacific Coast who are not also interested in British Columbia dread removal of the duty and strongly urge its retention.

NATIONAL FOREST SERVICE

I wish to congratulate this association and the people upon the personnel and policy of the National Forest Service. It appreciates the difficulties in the way of forest conservation and so is patient. An admirable spirit of intelligence and fair play is shown by those who compose it. It is constantly urging lumbermen toward better methods, and sometimes to do things which at present seem impracticable; but on the other hand, it appreciates the importance of the financial questions and the practical difficulties involved.

We had hoped to have with us at this meeting Forester Graves,

but he is represented on the program by the head of one of the most important branches of the Service.

FOREST PRODUCTS LABORATORY

At Madison, Wis., the Forest Service has had in operation for nearly two years a laboratory for investigation of all problems relating to forest products; their characteristics, better utilization, preservation, etc.

Lumbermen expressed much interest in this institution when it was being planned and when it was opened, but there their interest seemed to cease. The director of the laboratory informs me that not for a year has a single lumberman visited that institution, while every day come to it men engaged in other lines concerned with forest products, as paper and pulp. A standing committee of paper men visit it regularly. It is frequently inspected by visitors from abroad. Almost every foreign country of importance has sent its representatives to see what Uncle Sam is doing at his laboratory.

The work it does will very largely be determined by the demands made upon it, and it will be of direct value to the lumber business if lumbermen call upon it for assistance and coöperate with it.

Any of the questions which are met with individually will be gladly taken up by this institution if you will present them to it. Let me suggest to you, gentlemen, who by your presence here show your interest in problems of interest to the lumbermen, that you also display your interest in this work and give it your encouragement and assist it with your advice, by making it a point to visit this laboratory.

AN IMPORTANT GOVERNMENT PUBLICATION

Last year two members of the Forest Service in collaboration prepared a paper on the Lumber Industry. It is to be published as a bulletin entitled "Tendencies in Forest Utilization." It is a study of the Lumber Industry written by men who are as closely in touch with the business as outsiders can be, and who sympathize with the difficulties of all sorts met by lumbermen.

The paper deals with manufacturing and market problems. It goes at length into the subject of substitution as affecting the lumber business. Altogether it is a remarkable paper which should be read with care by every lumber manufacturer.

Great efforts have been made by both this association and the

Forest Service to have the bulletin ready for distribution at this meeting; but it has undergone revision after revision, special investigation having been made in connection with it, and our last advice, April 25, was that it would not even be in galley proof by the time of this meeting. However, in a very few weeks this work will be distributed to all the members of the association and I ask you to give it more serious consideration than you give to many publications of the Forest Service. It may contain some unpleasant and revealing facts and conclusions, but if the conclusions are soundly based there is all the more reason for facing them frankly.

INDUSTRIAL WORKERS OF THE WORLD

A matter to which I feel you should give consideration, both as lumbermen and citizens, is involved in the activities of what is known as the "Industrial Workers of the World."

We have not always agreed with the American Federation of Labor, but here is a new un-American and anti-American body, which literally as well as figuratively tramples upon the American flag. It is back of the anarchistic spirit which has prevailed in political conventions where the American flag was replaced by the red flag.

Its spirits and methods, however, affect us as business men. Seemingly it has no defined, no orderly method of procedure—its purpose is to destroy and bring chaos in place of order protected by law.

I would suggest that particular consideration be given by this body to this new propaganda of ignorance and hate, and determine what our attitude shall be toward it, not merely as citizens, but as representatives of an industry which has been particularly attacked.

FREE TOLLS ON PANAMA CANAL

Regulations to govern the Panama Canal are of great interest to every lumberman, but especially to the producers of the Pacific coast and the hardwood manufacturers of the East. As patriotic citizens, we want the canal to develop American resources, to build up American trade, and especially to facilitate commerce between our Atlantic and Pacific coast.

The canal is going to be opened whether we like it or not, and the real question is as to the regulations covering it. It is generally admitted that if tolls are equal to vessels of every flag, foreigners and

foreign commerce will profit more by it than we who built it. The canal is being dug and must be operated under the provisions of solemn treaties with Great Britain and the Republic of Panama. It is evident that we cannot in good faith, unless the treaties be amended, allow American vessels to have any competitive advantage in the use of the canal.

But President Taft admitted at San Francisco last fall, and it is the general tenor of expert opinion, both American and foreign, that we can admit our purely domestic trade through the canal at lower tolls than charged foreign vessels, or free. This is because foreign vessels have not, for ninety years, been allowed to engage in our coastwise, port-to-port trade, either directly or indirectly. This being the case, a demand is made by the entire Pacific coast, and by almost every commercial body on either the Gulf or Atlantic coasts, that the canal be opened free to coastwise business.

We had hoped that Mr. J. N. Teal, of Portland, Ore., who has given much time and attention to this matter, and who has appeared in its behalf before congressional committees and commercial bodies, would be able to address us on the subject; but in his absence I am asked to present this matter briefly, because it is hoped the National Lumber Manufacturers' Association will reaffirm its action of a year ago in recommending the passage of a bill which will give this relief to our coastwise trade.

Many measures are proposed. Some want high tolls on all shipping, some low tolls, some demand free ships, some demand a refund on tolls, either on coastwise trade or on all our shipping using the canal. One of our Board of Governors has tentatively suggested that the law might be amended so that our coast-to-coast trade through the canal should not be deemed coastwise and, therefore, vessels of any flag could be admitted to it. The objection to most of these remedies is that while they might be more far-reaching and desirable in the long run, it will take too much time to overcome prejudice against them. They deal with long standing laws, or ancient customs, or deep-rooted prejudices, and canal tolls and regulations must be proclaimed within a year.

To open the canal free to our coastwise trade will require the amendment of no law, will not involve the tariff difficulty, and if it can be done at all it can be done promptly. So far as it goes it will help.

Without such assistance the development of untouched resources on the Pacific coast will go on more rapidly in British Columbia and Mexico than in our own territory. And the manufacturers of Europe, who compete with our own manufacturers, will have transportation advantages which in many cases will offset our import duties.

Furthermore, this measure will tend to build up a merchant marine of the true deep sea character, for a voyage between the Pacific and Atlantic ports is a long one and requires vessels of stability.

It is sometimes argued that so far as lumber is concerned it would be for the benefit of the Pacific lumbermen as against the manufacturers in the East. In all probability the fir people will profit more from the canal than the yellow pine producers; but eastern woods will also profit. But it should be remembered that we are short of vessels, that when the canal is open there will not be the tonnage available greatly to increase west coast shipments into the Gulf or Atlantic ports. The vessels must be built and that will take time.

At first, I think, you of the East and South will not feel the West Coast competition, for the above reason, and for the additional reason that the first movement will be of lumber and timber for special purposes, and which will not seriously affect the markets for eastern woods. And by the time the west coast has the ships to take advantage of the canal, and the manufacturers of the East have developed the full possibilities of a west-bound trade in lumber through the canal, it will be wondered why there should have been any hesitancy in the matter.

Just at present, however, those lumber manufacturing sections which hope to be especially benefited by the Panama Canal appeal to you to assist in what seems to them the only immediate solution of the toll problem.

There is still a broader view. The development of our country which should follow the opening of this great world waterway should so increase population, so develop its latent resources, so enlarge its manufactures and commerce, that the increased demand for lumber will take care of any surpluses now existing, or which are feared.

INSURANCE OF STANDING TIMBER

Some attention has been given to the possibility, at least in special cases, of insuring standing stumpage against loss by fire.

Since standing timber has come to be the basis of bond issues it

would seem that insurance protection to such securities might properly be offered and that the time will come when any timberman could insure his holdings against fire loss as now the saw mill is protected. In this connection we asked Mr. James D. Lacey, whom you all realize as an authority on timber land matters, to prepare a paper on this subject. He found it impossible with his other engagements to give it the necessary attention, but I will quote from a letter received from him.

"I gave this matter considerable attention two or three years ago and discussed the feasibility of it with several insurance companies, but could get no expression from them other than that it would be almost impossible to insure timber lands, owing to the difficulty, particularly, of taking care of the fire hazard. Since that time, however, a great deal has been done in the West in the way of organizing forest fire protective associations, both by the Government, the State and by individuals, and it might not be as difficult today to interest insurance capital as it was a few years ago in an enterprise of this kind. I still believe, however, that it is going to take some time yet to bring about the necessary education to establish timber insurance on a basis that would warrant the large timber owners in insuring their lands. The one instance in which it worked was through the English Lloyds, by Price Brothers & Co., Ltd., of Quebec, who insured a certain portion of their standing timber for the further protection of a five million bond issue. This is the first instance I know of where insurance was taken for such a purpose, and it is but another indication of the upward movement toward eventually establishing suitable rates of insurance for standing timber."

CORRESPONDENCE WITH THE PRESIDENT

One of the most interesting features of the work of the year has been the effort to obtain from the National Department of Commerce and Labor a report on its investigation of the lumber business.

Appeals for publicity, which would put the lumber manufacturing industry in its proper light before the people, had been unavailing; but it was decided to make one more. Therefore a letter to the President of the United States was prepared, submitted to the Board of Governors for their approval, and, as finally revised, was mailed to the President on December 14 last. Response was made by the President on February 2, 1912, in the shape of an autograph letter, enclosing

copy of statement made to him by Secretary Nagel. To this statement of Secretary Nagel the Manager, with the approval of President Griggs, replied. You are familiar with the correspondence up to this point, as a copy of it was sent to each member of the affiliated associations.

After President Taft had given permission to make it public it was sent out by the Associated Press with a news summary, which summary was used by many of the daily papers in different parts of the country. About one thousand copies of the summary and correspondence were thus distributed. The United Press also sent out a briefer summary. This method of handling and the release date were suggested by the Associated Press. The correspondence was released for the afternoon papers of April 5, and many morning papers of the succeeding day did not use them; but we have nevertheless received widespread publicity. Newspapermen particularly appreciated the fact that here is a great industry accused of being trust controlled, which not only welcomes investigation but demands publicity.

Copies of the correspondence were sent to members of Congress and to many other public men. Lumbermen visiting Washington since its publication report that there is a somewhat different atmosphere there regarding the lumber business, and a disposition to credit the lumber manufacturers with taking the proper attitude toward the public.

On publication of this matter the United Press had a brief interview with Commissioner Herbert Knox Smith, of the Bureau of Corporations, reported in the following dispatch:

"Washington, D. C., April 5.—Complete ignorance of a combine to control the lumber manufacturing industry is expressed here today by Herbert Knox Smith, Commissioner of Corporations, in reply to the demand of the National Lumber Manufacturers' Association to publish the result of his investigation of the alleged lumber trust. Smith said: 'As far as we have been able to ascertain, no group of individuals control, dominate or influence to any great extent the lumber manufacturing industry. However, there are a few individuals who, to a certain extent, appear to control the standing timber.'"

This is, so far as I know, the first plain and unequivocal statement as to what was discovered or not discovered by the five-year long investigation of the lumber business, so far as related to the lumber manufacturers. It was given, so far as I can discover, wide

circulation, but its brevity obscured it, and it did not reach the clients of the Associated Press.

This public statement of Commissioner Smith, confirming what he has said privately to lumbermen, should have all the publicity that can be given it.

The letter of March 1 to the President in answer to Secretary Nagel's letter was not the end of the correspondence. March 22 the President transmitted another letter from Secretary Nagel, in which the Secretary still maintains that the report on standing timber had immediate relevance to the question of Trusts in the manufacture and marketing of lumber. Also he states we were mistaken in assuming that the Steel investigation was begun and completed before the lumber investigation was authorized by Congress. And the Secretary further insisted on his point that a verdict can be rendered only by the courts and not by his department.

The whole correspondence was carried on with scrupulous regard to the courtesy due the Administration, and while we differ with the authorities at Washington on many points, we feel that there is a better understanding on both sides; that the lumber industry stands better with the administration today than last year. And Commissioner Smith's frank statement that nothing involving the manufacturer of lumber in methods objectionable to the law had been discovered is appreciated.

One development of this correspondence may be noted: On February 2, Secretary Nagel stated that the investigation was not finished, notwithstanding that two years ago Commissioner Smith stated he hoped to be able to make his report in thirty to sixty days. Since our correspondence with the President one of our affiliated associations has been examined by the Bureau of Corporations, and perhaps we must wait for a final report until the books and records of all our affiliated associations and of the National itself have been scrutinized.

Coincident is an investigation being made by the Department of Justice, though now suspended because of suits against organizations of dealers, resulting from investigations made last year. The gentleman in charge of the lumber cases in the Department of Justice has assured me that there will be no unnecessary delay in carrying on his work, and that results will be obtained and announced just as rapidly as the small force at his command will permit. The promptness shown

by the Department of Justice is to be commended, and I believe that the results will be in the line of justice.

WORLD TODAY ARTICLE

When the Cosmopolitan Magazine, last November, announced it was to publish a series of articles by Charles E. Russell, now proposed Socialist candidate for the Presidency of the United States, demonstrating the fiendish character of the Lumber Trust, considerable interest was aroused in what this gentleman would have to say.

Your Manager promptly took the matter up with the Cosmopolitan and was told that the series would not after all be published by that magazine, but would appear in the World Today, a magazine of the same ownership, which is now known as the Hearst Magazine.

I suggested that I would like to contribute an article to be published in the same issue with the first of Mr. Russell's series, or else to have the privilege of answering it after it was finished. I was invited to submit such an article, and did so, but it was returned as unavailable. The reasons probably were two: In the first place, the article was too long; and in the second place, it would have pretty nearly killed the effectiveness of Mr. Russell's articles had it been published at the same time his began, for it told the facts of the lumber business, which facts were substantiated by government reports and statistics, so far as they were available.

Probably all of you have seen the Russell series, which proclaims the existence of a trust which is not a trust, and the use of illegal and uneconomic methods adopted by men who believe they are right and willing to go to jail for their convictions. The series was so full of misstatements, half truths and slander, and yet so unsubstantial, that in the minds of intelligent readers it carried with it its own antidote. The general opinion of lumbermen with whom I have talked, as well as of officers of the National association, is that it is unworthy of attention. However, some of our friends are seeking ways and means to answer Mr. Russell.

SAN FRANCISCO EXPOSITION

The great exposition of 1915 at San Francisco, which promises to exceed in cost and attractiveness any one previously held, offers a great opportunity for an advertising display of American lumber resources and products. It will give a chance to demonstrate to the

people of this country the utility of wood and it seems to many that it is an advertising opportunity that should not be neglected. While this exposition is three years ahead it is not too soon to begin preparations for it.

A tentative proposition has been made on the Pacific coast to this effect: That each of five western lumber states should have a building showing its particular products in the most attractive way. Buildings in the bungalow style have been suggested, built and furnished in native woods.

Another suggestion, which seems to meet with favor on the Pacific coast, surrenders their particular advantage in favor of a national exhibit under the leadership of the National Lumber Manufacturers' Association. Two plans have been suggested. One is that a large building should be erected to contain a central meeting room, parlors and other conveniences, and also a room or suite of rooms for each affiliated association in which could be displayed their particular products.

Another is for a central building, not necessarily very large, to be erected by the National association, around which should be arranged smaller buildings representing each affiliated association. Thus there would be yellow pine, cypress, North Carolina pine, the northern hardwood, southern hardwood, white pine, western pine, fir, sugar pine and redwood buildings, etc.

It is also suggested that perhaps the exhibit of the National association could be coördinated with or handled in coöperation with that of the National Forest Service.

If either of these plans is selected, the National association itself might prepare an exhibit along the lines of its advertising work, in which it would promote the use of wood as against unworthy substitutes. A series of photographs could show the merits of the wooden railway car as against the steel car, and the advertising department of the National association could prepare positive exhibits in many lines, as in building construction, packages, etc., which would make a profound impression upon visitors. Then to the different associations could be left the exploitation of their particular woods.

Whatever is to be done along this line should be set on foot, perhaps authority being given to the advertising committee to handle it or some special committee being appointed to coöperate with the advertising committee.

Judging from the cost of such things in the past, it would perhaps not be an unsafe estimate that $50,000 would cover the cost of the central exhibit building made of wood. Then each affiliated association could devote what money it wishes to an exhibit of its particular lines.

It has been proposed with approval that there should be organized a Forest Products Exposition along the line of other industry shows which have been very successfully promoted and have been of great advertising value. Notable among such expositions have been the Cement, Automobile, Farm Products and Live Stock Shows.

Someone has raised the objection, "What can we show? Everybody knows what lumber is." On the contrary, no cement or brick show could be so varied in its attractions, so appeal to hereditary instinct and the love of the beautiful as a Forest Products Show. If it were decided to go into such an enterprise it would be the means of gathering experience and material for the International Exposition at San Francisco in 1915, and if successful might accumulate a fund which would install and carry through that which must necessarily be a free show. Doubtless you have all seen statements of what such a show should consist. It should be both educational and entertaining. It should attract visitors by its uniqueness and beauty and when their attention is fixed should educate them to appreciation of the value of wood. It should promote the consumption of wood as cement shows have promoted the consumption of cement.

In such an exposition every one of our associations could find a place for whatever would draw the attention of the public to its own products. Numerous ideas are suggested to draw the crowds. A miniature logging plant might be in constant operation, with skidders, donkey engine, log loaders and all the paraphernalia that in any part of the country finds place in the business. Moving pictures could show the actual work. There could be model saw and planing mills. Not only lumber manufacture could be displayed, but veneer, cooperage, sash and doors, flooring and the ornamental uses of wood could be shown. Appropriate decoration would make such an exposition notably attractive. Three or four such shows could be held each winter season until the San Francisco Exposition; ten or twelve in all, running ten days or two weeks in such cities as Chicago, Pittsburgh, New York, Kansas City and Los Angeles, central points and where we wish to push our advocacy of wood.

The financial end of such a matter will not be overlooked by any

of you. Money is necessary, but not so much as you would think. Probably none of the shows of the sort in mind have required the raising of as much as $20,000 in cold cash. Properly backed, credit has furnished the money and the profits have taken care of the indebtedness. It should not be merely a money-making affair, full of catch-penny devices, but should be, while an attractive show, educational and of large advertising value to the lumber industry.

In a general way, what seems necessary, if such a thing is to be successfully and satisfactorily promoted, is for the lumbermen themselves to back such a show financially and put in charge of it experienced men who will be given sufficient money inducement to handle it to the best of their ability, and then hold over them those famed powers of the initiative, referendum and recall.

At the request of the Chair, Secretary George K. Smith, of St. Louis, Mo., read his report.

Report of Secretary

MEMBERSHIP

The membership at the end of the fiscal year, March 31, 1912, consists of twelve associations, with members and yearly production as follows:

Association	*No. Members*	*Production*	*— Delegates — Entitled*	*Apptd.*
Western Pine Mfrs'. Ass'n	44	620,000,000	9	8
Southern Cypress Mfrs'. Ass'n	51	555,243,726	8	5
Hardwood Mfrs'. Ass'n of U. S.	230	630,000,000	9	9
Michigan Hardwood Mfrs'. Ass'n	64	304,239,712	6	6
Northern Hemlock & Hdw. Mfrs'. Ass'n	83	600,000,000	9	9
Northern Pine Mfrs'. Ass'n	40	1,404,251,674	17	17
Yellow Pine Mfrs'. Ass'n	245	4,068,098,015	43	43
North Carolina Pine Ass'n	73	778,055,876	10	10
West Coast Lbr. Mfrs'. Ass'n	139	2,139,572,000	24	18
Pacific Coast Sugar & W. P. Ass'n	14	167,500,000	4	1
Georgia-Florida Sawmill Ass'n	76	322,042,456	6	6
Redwood Manufacturers' Ass'n	20	No report.		
	1,079	11,589,003,459	145	132

STATISTICAL DEPARTMENT

Since June 1, 1911, there has been issued monthly a report entitled "Production and Movement of Lumber." It contains reports from approximately seven hundred sawmills, located in twenty-two states.

Summary of Cut and Shipments—Production Below Normal—for Ten Months, June, 1911, to March, 1912, inclusive.

Months.	*No. Mills Rptg.*	*Cut.*	*Shipments.*	*Cut More than Shipped.*	*Cut Less than Shipped.*
June, 1911	421	613,500,000	549,500,000	64,000,000	
July	408	539,100,000	499,600,000	39,500,000	
August	545	796,100,000	769,100,000	27,000,000	
September	557	781,500,000	786,200,000		4,700,000
October	695	910,800,000	936,300,000		25,500,000
November	673	782,500,000	891,300,000		108,800,000
December	648	625,400,000	740,500,000		115,100,000
January, 1912	617	605,400,000	738,300,000		132,900,000
February	671	778,300,000	847,500,000		69,200,000
March	679	823,400,000	953,700,000		130,300,000
Totals	5,914	7,256,000,000	7,712,000,000	130,500,000	586,500,000

Excess shipments over cut 456,000,000 feet, or 6.28 per cent.

Production Below Rated Capacity of the 591 Mills Reporting Cut and Shipments.

	Feet.		*Feet.*
June, 1911	276,163,000	December	696,700,000
July	286,402,500	January, 1912	712,057,000
August	404,596,000	February	500,047,000
September	345,457,500	March	514,247,500
October	567,856,000		
November	533,547,500	Total	*4,827,074,000

*Total equals 59.95 per cent.

Only one-third of the mills on our mailing list have reported their cut and shipments. If this statistical work is continued it should be supported by every manufacturer who is requested to send in his monthly report.

An interesting comparison of stocks on hand at the same 608 mills at three different periods has also been compiled and is submitted herewith.

COMPARISON OF STOCKS ON HAND

July 1, 1911, January and April 1, 1912.

	No. Mills Rptg.	*Rated Daily Capacity, Ft. in M.*	*Yearly Normal Production, Based on 275 Days.*	*Stock on hand Feet in Millions & Tenths. July 1, 1911.*	*Jan. 1, 1912.*	*April 1, 1912.*
Alabama	39	2,390	657.3	69.9	63.9	65.1
Arkansas	49	3,853	1,059.6	246.5	239.6	228.3
California	11	841	231.3	78.6	96.8	87.3
Georgia-Florida	23	1,565	430.4	62.0	57.0	58.4
Idaho	16	2,575	708.1	360.9	445.4	362.3
Indiana	4	54	14.9	6.6	7.7	8.2
Kentucky	2	110	30.3	21.5	18.5	16.0
Louisiana	103	9,880	2,717.0	791.0	673.2	654.8
Michigan	37	2,996	824.0	308.2	288.1	328.8

	No. Mills Rptg.	Rated Daily Capacity, Ft. in M.	Yearly Normal Production, Based on 275 Days.	Stock on hand—Feet in Millions & Tenths. July 1, 1911.	Jan. 1, 1912.	April 1, 1912.
Minnesota	21	4,830	1,328.1	493.6	591.5	478.8
Mississippi	49	3,775	1,038.1	161.9	149.6	139.8
Missouri-Oklahoma	10	590	162.3	54.5	49.5	47.8
Montana	4	650	178.8	111.4	122.8	113.0
North Carolina	9	583	160.3	29.4	26.7	26.6
Ohio	1	100	27.5	12.4	14.0	10.3
Oregon	24	2,788	766.7	171.6	198.5	183.5
South Carolina	8	655	180.1	37.0	31.2	29.6
Tennessee	6	165	45.4	6.8	5.4	5.7
Texas	49	3,770	1,036.8	221.5	212.5	174.9
Virginia	8	730	200.7	25.7	23.8	18.8
Washington	77	8,215	2,259.0	509.5	537.4	494.1
Wisconsin	58	5,067	1,393.4	716.0	685.8	636.4
Totals	608	56,182	15,450.1	4,496.5	4,538.9	4,188.5

Net increase in stock Jan. 1, 1912, as compared with July 1, 1911 ..... 42,400,000 ft. or .9%
Net decrease in stock April 1, 1912, as compared with July 1, 1911 ..... 300,000,000 ft. or 6.8%
Net decrease in stock April 1, 1912, as compared with Jan. 1, 1912 ..... 350,400,000 ft. or 7.7%
Stock on hand July 1, 1911 ..... 29.1% of yearly normal production
Stock on hand Jan. 1, 1912 ..... 29.4% of yearly normal production
Stock on hand April 1, 1912 ..... 27.1% of yearly normal production
Mill average, July 1, 1911 ..... 7,395,559 ft.
Mill average, Jan. 1, 1912 ..... 7,465,296 ft.
Mill average, April 1, 1912 ..... 6,888,980 ft.

The Manager handles the other departments of this association, and the work done through them is covered in his report.

PRESIDENT GRIGGS: The Treasurer's report will be made later. We will now have some announcements by the Secretary, and also of convention committees appointed.

SECRETARY SMITH: We have a telegram here, the announcement of which I know will cause sorrow to all of us here who have been attending these meetings for a good many years. It is as follows:

"Eau Claire, Wis., May 6, 1912. George K. Smith, Secretary N. L. M. A., St. Louis, Mo.—My uncle, Eugene Shaw, died this morning. Funeral Thursday. George B. Shaw."

We all remember genial and pleasant Eugene Shaw. This will be referred to the Committee on Resolutions to draft an appropriate tribute.

PRESIDENT GRIGGS: Does the convention desire to take up those resolutions now in regard to Mr. Shaw? It might be well while we have the delegates present to read them.

By unanimous consent Secretary Smith read the resolution, which, upon motion, was adopted by a rising and unanimous vote, as follows:

Resolutions on the Death of Eugene Shaw

WHEREAS, Eugene Shaw, of Eau Claire, Wis., a lumberman, a man with the personal grace of the pine tree and kindliness of spirit as enduring as the heart of an oak, has been called in the ripe prime of life to lay down his earthly burdens; and

WHEREAS, We have long known and respected him;

RESOLVED, That the National Lumber Manufacturers' Association, in convention assembled at Cincinnati, while bowing in personal sorrow, do make their first action at this meeting a heartfelt tribute—as much as words can convey—to the life and works of our comrade, whose body lies dead in its earthly home, and whose soul is with God; and

RESOLVED, That while we mourn the loss of the wholesome friendliness of Eugene Shaw, we are glad to express our esteem of his life, to his family and friends, by a rising vote, which shall record our belief in honor, virtue and manhood, such as was his, and our belief that of such are those whose souls live forever, even as memories of their worth endure in the hearts of men.

Appointment of Committees

The appointment of the following convention committees was announced:

AUDITING COMMITTEE

C. A. BARTON, Chairman ..... Minneapolis, Minn.
R. H. VANSANT ..... Ashland, Ky.
GEO. E. W. LUEHRMANN ..... St. Louis, Mo.

RESOLUTIONS COMMITTEE

EDGAR DALZELL, Chairman ..... Minneapolis, Minn.
W. B. ROPER ..... Norfolk, Va.
W. B. TOWNSEND ..... Townsend, Tenn.
BRUCE ODELL ..... Cadillac, Mich.
C. D. JOHNSON ..... St. Louis, Mo.

NOMINATING COMMITTEE

S. J. CARPENTER, Chairman ..... Winnfield, La.
E. W. DEMAREST ..... Tacoma, Wash.
A. T. GERRANS ..... Houma, La.
J. B. CONRAD ..... Glenwood, Fla.
HORTON CORWIN, JR. ..... Edenton, N. C.
W. E. DELANEY ..... Cincinanti, Ohio
C. A. BIGELOW ..... Bay City, Mich.
C. H. WORCESTER ..... Chicago, Ill.
T. L. SHEVLIN ..... Minneapolis, Minn.
A. W. COOPER ..... Spokane, Wash.
W. G. COLLAR ..... Merrill, Wis.

CREDENTIALS COMMITTEE

LEWIS DOSTER, Chairman.....Cincinnati, Ohio
A. W. COOPER.....Spokane, Wash.
R. S. KELLOGG.....Wausau, Wis.

SPECIAL COMMITTEE ON OFFICERS' RECOMMENDATIONS

EDWARD HINES, Chairman.....Chicago, Ill.
C. A. BIGELOW.....Bay City, Mich.
S. H. FULLERTON.....St. Louis, Mo.

INVITATION TO HOLD NEXT CONVENTION AT ST. LOUIS

At this time Secretary Smith read an invitation from the Convention Bureau of the City of St. Louis suggesting the holding of the next annual meeting of the National association in that city, the same being accompanied by personally signed letters from Governor Hadley, of Missouri, the mayor of St. Louis, etc.

PRESIDENT GRIGGS: We will now hear the reports of standing committees; first, the report of the Conservation Committee, J. B. White, Chairman, Kansas City, Mo.

Report of Conservation Committee

BY J. B. WHITE, OF KANSAS CITY, MO.

Mr. President and Gentlemen: I have not been able to get the Conservation Committee together here, and the conferences that I have had with them in the past six months have been in the shape of informal talks. However, I will be glad to make a report on conservation.

Personally I am enthusiastic on the conservation of our natural resources, but today I feel that we have had so many troubles of our own that it seems that Heaven is farther off than the other place is closer by.

I believe that we have got to preserve our sinking ship. We are attacked by pirates from without and by a mutinous crew from within. We have our labor troubles. We are assailed by a prejudicial force politically, taxation is unjust; and it does seem as if it is almost impossible to get help from legislation to aid in the conservation of our natural resources. The lumbermen have been the friends of the forests, and we have contributed freely, whenever we have been asked to do so, to every cause to aid in conservation. We have invited the students from different colleges into our forests to have them study forestry and give us the benefit of their conclusions upon actual examination and familiarity with our conditions; but it does appear as if we are losing ground and that we are less able to help forward the movement than heretofore.

RAIL RATES PLAY IMPORTANT PART IN CONSERVATION

The recent decision of the Interstate Commerce Commission that gives to the Trunk Line railroads greater freight rates and takes off from the lumbermen the rates that have been established by agreement with the railroads, is going to prevent conservation to a very great extent. We have got to have a lower freight rate if we lose our divisions as railroads; and that has got to come either from the people or from the Trunk Lines. If it is saddled upon the people by a necessary increase of the cost of lumber, it is going to be very diffi-

cult indeed for them to favor us with any of their moral support toward such legislation as we need, because they will be prejudiced against us. They are already sufficiently prejudiced against the lumbermen.

Now I do not like to talk in this vein, but when I get discouraged I am apt to look on the darker side. I have been heretofore generally optimistic, but today, from present indications, I am rather inclined to be pessimistic. We are not getting help outside. I understand that they have passed a law making a special tax in Mississippi of 20 cents an acre against the lumbermen, who have over one thousand acres of timber. Now if that idea is going to prevail, it is against the idea and principle of conservation.

CUTOVER LANDS VALUED TOO LOW

If we are going to grow trees again our cutover lands are worth a great deal more than we are getting for them. We are offering them for from $4 to $5 an acre. If the principle of conservation is going to be put into effect those lands are worth today from $10 to $15 an acre for the timber standing on them after we have removed the merchantable lumber trees, two to six inches in diameter. A number of them stand on every acre of our land which it would cost $15 an acre to grow, and we are selling that land at from $3 to $5 an acre. If the principle of forestry is true that land is worth from $10 to $15 an acre because it would cost that to grow trees of the size and age that are left after we have removed our standing timber, we are forced to be inconsistent. We are in favor of conservation, yet we are offering these lands at one-third of what they are worth for conservation purposes.

It seems to me that we have got to obtain for our lumber what it costs to grow it; and if land is worth $15 an acre to grow trees on, if the stand that is always on there would cost $15 an acre to grow it, it ought to be worth it instead of what we are selling it for, believing it to be all we can get. I only mention these thoughts because I think there ought to be a united effort toward educating the public upon this question.

There was a committee appointed, of which Mr. Bigelow was chairman, to offer some resolutions here today. I have asked that such resolutions be prepared, and Mr. Bigelow has approved of them, as chairman of the committee. I will now read the resolutions and ask

you to vote upon them, as Mr. Bigelow has requested me so to do. Although it would properly come to him, he has referred it to the Conservation Committee, of which I am chairman. The resolutions are as follows:

Resolution of Committee on Conservation

WHEREAS, The Agricultural Appropriation bill, now under consideration, as originally introduced, provided a contingent fund of one million dollars to be used only in fighting fires on the National forests, if found necessary; and

WHEREAS, The House of Representatives cut this item to two hundred and fifty thousand dollars, an amount entirely too small for safety; and

WHEREAS, The Committee on Agriculture and Forestry of the Senate has reported in favor of appropriating the sum originally asked for;

RESOLVED, That the National Lumber Manufacturers' Association affirm its belief, based upon long experience, that the sum of one million dollars, to be available yearly for fire prevention when necessary, is the minimum amount that could with safety be provided to protect one hundred and ninety million acres of National forests from fire; and

RESOLVED, That this association representing the third largest manufacturing industry in the United States, and whose raw material is the forests, asks that Congress do not fail to provide the fund absolutely necessary to protect the National forests, the property of all the people; and be it further

RESOLVED, That copies of this resolution be at once sent to all Senators and Members of Congress.

Your committee offers this resolution and moves its adoption. I thank you. [Applause.]

The motion carried, the resolutions being adopted as read.

PRESIDENT GRIGGS: Next in order is the report of the Committee on Workmen's Compensation, of which Mr. Paul E. Page, of Buckley, Wash., is chairman. In the absence of Mr. Page, Secretary Smith will read the report.

Report of Workmen's Compensation Committee

BY PAUL E. PAGE, OF BUCKLEY, WASH.

As a report from the Workmen's Compensation Committee I herewith tender an explanation of the Washington Compensation Act. I have gone into considerable detail in order that our members might understand the act thoroughly.

In view of the fact that various states have appointed commissions to consider the problem of compensation for industrial accidents and that these commissions have worked for months and even years to accomplish anything, it seems futile for our association to expect that its Workmen's Compensation Committee, scattered as it is with thousands of miles separating its members, could accomplish much. As a matter of fact, it has been impossible to accomplish anything as a committee. In lieu of a committee report I am presenting my endorsement of the Washington Compensation Act, with the earnest hope that our members will not only consider it, but endorse it and recommend it to the legislature of every state in the Union.

Up to the passage of its Compensation Act, the State of Washington was pest-ridden with the employers' liability insurance companies and the ambulance-chasing attorney. Large sums of money were paid to the employers' liability companies for insurance against industrial accidents, which, in many cases, proved inadequate. Only about 40 per cent of the amount of judgments rendered in cases brought for personal damages ever reached the injured workman or his dependents, and only about 10 per cent of those who were injured ever received anything at all.

The ambulance-chasing attorney had reached a point where he did not hesitate to introduce perjured testimony to win his case. He had become so brazen that he did not care whether the attorney for the defense knew such testimony to be perjured. He introduced his perjured testimony when he knew the judge on the bench must know it was perjured.

Such a condition was demoralizing to the people, and especially to the young people of our state. There was a feeling of graft among

our people. Verdicts for unreasonable sums were returned in cases where there should have been no judgment, and verdicts returned for no judgment in cases where there should have been a substantial verdict for damages. Every industry was menaced with the verdict of some hysterical jury, and the fellow who got hurt saw large sums of money being spent in litigation in personal damage cases and he got little or nothing to reimburse him for his injury.

PRELIMINARY STEPS TO SECURE PROPER LEGISLATION

In January, 1910, at its annual meeting, the Pacific Coast Lumber Manufacturers' Association passed a resolution deploring the conditions which existed through lack of adequate laws governing industrial accidents, condemning the methods of the employers' liability companies and asking that representatives of capital and labor get together and devise some method by which an injured employee could receive the benefit of the large sums of money which were being wasted in litigation. This action of the lumbermen of our state attracted much attention and the resolution was printed and commented on by every newspaper in the state. A mass meeting was held in Tacoma in June of that year, at which Governor Hay presided, consisting of men who represented not only the employer and employee, but professional and business men as well. This meeting resulted in our governor appointing a commission to draft a bill on workmen's compensation to present to the next legislature.

This commission was composed of five employers of labor, three lumbermen, a logger and a coal mine operator, and five representatives of labor unions, two coal miners, a carpenter, a printer and a locomotive engineer.

The first meeting of this commission was held in Tacoma on September 29, and at that meeting we decided that none of us were there to drive a hard bargain for the interest we represented, but to work as a unit to accomplish some good for all interests. So well was this decision carried out that during all of the many meetings held by the commission it would have been impossible for an outsider in listening to our deliberations to have told which members of the commission represented labor and which capital.

We had two attorneys to aid us in the work, one a reformed ambulance-chaser of the worst type and the other one of our state's most able men.

The former had at his command a repertoire of legal twists and turns which was bewildering and voluminous and which proved of great service to the commission. The latter gave to the commission the results of his long study of the problem which we were attempting to solve.

There were no experts on this commission and we took up the work as business men of this country always have and will when they have a problem and emergency to meet.

The act as drawn by the commission was passed by the legislature after the "first aid" feature was eliminated, and became effective on October 1, 1911.

ACT UPHELD BY WASHINGTON SUPREME COURT

We have in the governor of our state a man with honesty and backbone enough to appoint an industrial commission to administer our compensation act without playing politics, and as a result we have a commission of hard-headed business men who believe in the act and who are giving their best efforts to make it a success. During the summer of 1911 a friendly suit was brought to test the legal standing of the act and our supreme court pronounced it constitutional and the law of the state.

This decision of our supreme court has been criticised as a sentimental decision. This we deny most emphatically and firmly believe that the United States supreme court will decide our act to be constitutional. But if the supreme court of our state is using the sentiment of humanity instead of the dollar sentiment in its decisions, I believe we have reason to be proud of our court.

The Washington Compensation Act is compulsory for hazardous employments and elective for others, and has the state insurance feature. The state pays all the expense of administering the act through an appropriation. Industry takes care of its industrial accidents. State insurance benefits are covered, which are sustained in the course of employment, unless due to deliberate intention of injured worker.

PROVISIONS OF THE ACT

An injury caused to an employee while in the course of his employment by a third party is covered, providing employee so elects. If he chooses to take action against such third party he can do so, and in

case he elects to take the state compensation he assigns his action against the third party to the state. Voluntary plans of employers to care for hospital and first aid to injured employees is permissible.

If the employer default in the payment of his premiums, injured workman may maintain action for damages, and defenses of fellow servant rule and assumption of risks are abrogated.

Payments for death are as follows: Payment of $20 per month to a widow until death or remarriage. A dower of $240 in case of remarriage, but no further payments. The sum of $5 for each child under the age of 16, per month, until the age of 16 is arrived at, but not more than $15 for any one family of children having a widowed mother or father. Orphan children, $10 per month to the amount of $35 per month until 16 years of age. For partial dependents, not to exceed $20 per month. For all death claims the sum of $4,000 is taken from the general fund, invested at interest to procure funds with which to meet the monthly payments.

For total disability: If unmarried, $20 per month. If married, from $25 to $35, according to family. For total disability not permanent, benefits are increased first six months 50 per cent, providing this sum does not exceed 60 per cent of regular wage. Monthly payments in all cases may be converted in lump sum payments either in whole or in part. In cases where the injury causes a disability which is not total or permanent, such injury is paid for in lump sum and the maximum amount is $1,500.

Employer is held responsible in case accidents are caused by neglect to comply with safety laws, and must reimburse the insurance fund for half the benefits paid in each case.

ADMINISTRATION OF THE LAW

The act is administered by the Industrial Insurance Department, which department consists of three salaried commissioners. The decisions of this department are subject to review in any superior court, but its decisions are reversible only on three grounds: 1. That it acted without or in excess of its powers; 2. That an award was procured by fraud; 3. That the findings of fact by the department do not support the award.

The intent of the act, as set forth in Section 4, is that the fund created by assessing the industries shall ultimately become neither more nor less than self-supporting.

In arriving at a means for making such assessments the commission which drafted the act was confronted by its most difficult problem. We had no data to refer to, with the exception of that from the coal mines, and this we found inadequate to apply to other large industries. We at last grouped each industry in a class which was shown by the employers' liability insurance companies' rating manuals to take the same rate of premium. To each of such groups we gave a rating which we believed would be ample to supply funds with which to meet the benefits that would be paid by that particular group for the accidents happening in that group. Industries that were shown by the insurance manuals to take the same rating, although they might be entirely different from one another, were placed in the same group.

Each such group pays for its own accidents only, and for none other. To illustrate: An accident in a coal mine is paid by coal mine premium only, while an accident in a blast furnace would be paid for from a fund secured by the premiums paid by some twenty-seven industries which were found to be of equal hazard with a blast furnace hazard and were grouped together. There are forty-seven of the groups or classes, covering every industry in our state. In addition, there is the non-hazardous group, which is elective.

The premiums charged each group vary from 1½ per cent to 10 per cent, and the levy is made on the yearly payroll of each industry in the group.

OPERATION OF THE LAW

Inasmuch as the intent of the act is to secure only such funds as are necessary to meet the benefits, assessments are made only as needed. To illustrate: The act went into effect on October 1, 1911, and at that time an assessment was made, based on the payroll for the months of July, August and September of that year. In every group where the funds were more than enough to pay the benefits for three months no further assessments will be made until it is found that the fund of that group is about to become depleted, when another assessment will be made on that group only and for a sum based on the total amount of the payroll of that group for the last three months. By this provision in the act each group pays only what the benefits paid require. One group might be required to pay its full premium on the entire year's payroll, while another group might not be required to pay on more than three months' payroll. If no accidents happen there is nothing to pay, and I cannot conceive of anything that would act as more of an

incentive to employers to protect their machinery and use their best efforts to prevent accidents than this provision of the act.

The premium rates demanded by the act look high, but as a matter of fact they have little to do with the actual cost to the industries, as they are used only as a basis with which to levy the premium to be paid for the first three months. The actual cost is governed solely by the number and kind of accidents.

Up to the present time every man, woman and child in our state who has been in any way injured as the result of an industrial accident since October 1, 1911, has been paid a reasonable sum for such injury. Every widow has been made independent, and every little child deprived of a breadwinner has been given the chance of playing out its baby years instead of becoming a public charge or forced into daily labor. Every injured workman has known that his dear ones would be provided for in case his injury was fatal.

All this has been done without cost to the employee. There has been no litigation, no perjured testimony, no court costs, and none of the ill feeling between the employers and employees which personal accidents caused in the past. Is this not enough to have accomplished by a compensation act, regardless of its cost? Are we not entitled to believe that we have solved the problems of workmen's compensation?

COST TO THE EMPLOYER

However, there is still another feature to be considered, which probably will appeal to the business world stronger than do the humane features of the act, and that is the cost to the employer.

The lumber industry in our state is in a class which requires the payment of a premium of 2½ per cent on the yearly payroll. In the lumber class the assessment for the first three months after the act went into effect amounted to $167,000. Up to April 15, 1912, there had been paid out of this fund $60,000 for accidents settled for and $45,000 was taken from the fund and invested to take care of seventeen fatal accidents. At that time (April 15) there were twelve fatal accidents unsettled for. If these twelve fatal accidents call for the same amount of benefits as the seventeen which were settled for required, it would make a total paid out and to be paid of $135,000, which represents the sum required to pay the benefits in the lumber class group for six and one-half months—that is, from October 1, 1911, to April 15, 1912.

During these six and one-half months the workmen in our industry work in our mills by artificial light for several hours of each working day. Our mills are open and cold and the nature of the business is such that our men are required at times to work very fast and at other times there will be nothing to do for several minutes. This requires the men to dress in heavy clothing to keep warm during their idle moments. It is reasonable to suppose that a workman working under artificial light, with heavy clothing, one moment in a perspiration through great effort and the next chilled by lack of effort, is more liable to injury than he would be if he were working in daylight and with light clothing.

For these reasons I believe that the accidents in the lumber class for the six and one-half winter months were greater than they will average for the other months of the year; but, suppose they represent the average, then the total cost to the lumber class would be some $270,000 for the year.

Using $167,000 as 2½ per cent of the lumber class payroll for three months makes a total payroll for the lumber industry of $27,000,000 for the year. In order to raise $270,000 by taxing $27,000,000 it requires 1 per cent, and that is exactly what the cost to the lumber industry figures up to the time of the closing of the Industrial Commission's books on April 25, 1912. Under the old system the best rate that I could secure from the employers' liability insurance companies for insurance against accidents was 1.35 per cent on the payroll, and today the rate is 61½ per cent. Under the old system 50 per cent of the time of the courts was spent in hearing personal damage cases.

Something like $20,000,000 was paid by the employers to the employers' liability companies in 1911 throughout the United States. Nearly $10,000,000 in judgments was rendered in personal damage cases. In most of these cases the lawyer received one-half of the judgment, which left $5,000,000 for the injured workmen.

Under the Washington Compensation Act it costs the employer considerably less than it did under the old system, and every injured employee is paid and every cent collected from any industry goes directly to the injured employee. Furthermore, the lumber industry makes the poorest showing of any group which comes under the act.

There are forty-seven groups or classes under the act, and nine of these have not used any of their fund, having had no accidents. Seven have used less than 3 per cent of their fund, twelve less than

10 per cent, fourteen less than 15 per cent, and five have used more than 16 per cent, which includes the lumber class, which has used some 63 per cent of its fund.

We expect in the very near future to reduce the cost to the employer materially. Our Industrial Commission has started work on the problem of why there are so many industrial accidents and what causes them. They have interested the students of our state college in the problem and hope soon to have classes making a study of this problem. They already see a new profession for some of the young men and women of our state, and that is the trained expert who understands the practical guarding of machinery and the prevention of many of the industrial accidents.

As soon as we have such experts in the field we can expect a large percentage of decrease in accidents, which will be followed by a decrease in the amounts charged the industries.

I believe the Washington Compensation Act solves the problem of how to take care of industrial accidents, and I hope to see it on the statute books of every state in the Union.

PRESIDENT GRIGGS: Gentlemen, you have heard the report of Mr. Page's committee. Mr. Carrier, will you present the report of the Railroad Committee

Proposed Railroad Weighing Reforms

BY R. M. CARRIER, OF SARDIS, MISS., AND A. T. GERRANS, OF HOUMA, LA.

I would say that I am not on the Railroad Committee, but in attending the National Wholesalers' convention at Louisville a resolution was passed there for the purpose of rectifying the weighing of cars by railroads, and it was suggested that the National Wholesalers' association and the National Lumber Manufacturers' Association act together, in pursuance of which President Griggs appointed a committee, consisting of Mr. Hines, Mr. Gerrans and myself, to confer with the committee from the National Wholesalers jointly on this matter.

We met in Chicago and there drew up a set of resolutions, most of the work as representing our association being done by Mr. Gerrans. This resolution will later be presented to the Interstate Commerce Commission. Commissioner Prouty was holding court in the

Federal building at Chicago at that time. We expect, of course, to have a hearing upon this subject later.

Mr. Gerrans has the resolution here, and as he has gone into this more fully than I have, I think it would be well to request Mr. Gerrans to read that resolution to this convention. It was gotten up jointly, as I have said, by the National Wholesalers and the National Lumber Manufacturers' Associations. I take this opportunity of stating that in this we worked with the National Wholesalers, and I think it a most excellent idea that we embrace every opportunity to do as President Parker suggested this morning, namely, that the two associations work together. I think that in many cases their coöperation would result most beneficially.

I would suggest, Mr. President, that you call on Mr. Gerrans to read those resolutions as recommended by that joint committee.

PRESIDENT GRIGGS: Gentlemen, do you wish that resolution read at this time?

Mr. Gerrans was recognized by unanimous consent and read the resolutions referred to, as follows:

Statement of Joint Committee

WHEREAS, The railroads have been unable to devise any accurate method for weighing lumber and forest products, causing great hardship and loss to lumber shippers; and

WHEREAS, The present rulings of the Interstate Commerce Commission prevent the adjustment of claims for overcharge on account of weights, on basis of estimates, compelling settlement of charges on the alleged scale weight, assuming same to be correct in the absence of actual tests covering the shipment in question; and

WHEREAS, The Interstate Commerce Commission has appointed a hearing for the purpose of investigating the matter of the present system of weighing as viewed by the railroads;

RESOLVED, That we suggest to the Commission that the carriers be required to show on the bills of lading the gross, tare and net weights, less allowance for stakes, dunnage, etc., if any, on each car, or furnish a weight certificate, and that in the absence of scale facilities at point of origin, that the carriers be required to weigh each car at the nearest scales and forthwith furnish the shipper a certificate showing the gross, tare and net weight of the shipment, less allowance for car stakes, dunnage, etc., if any.

Should the consignor or consignee request another scaling, same shall be made at the next weighing point ahead of the car, and if a difference of over one thousand pounds be shown between the first weight and the certificate of said re-weight furnished the consignor or consignee, then the weights authorized by the various lumber associations shall be recognized by the carriers in settlement of claims between the shipper and the carrier.

And further, that a joint committee consisting of railroad officials and lumber shippers shall within a reasonable time agree on a schedule of weights to be used between parties at interest, and that the present weights authorized by the various lumber associations shall govern in the interim.

RESOLVED, That a copy of this statement be presented to the Interstate Commerce Commission as representing our views in the matter.

Also, that we desire to be heard further upon the subject.

(Signed)

R. M. CARRIER, Sardis, Miss. — **B. FRANKLIN BETTS. Philadelphia.**
A. T. GERRANS, New Orleans, La. — **A. L. STONE, Cleveland, Ohio.**
L. L. BARTH, Chicago, Ill. — **J. G. CRISTE, Pittsburgh, Pa.**
F. E. Parker, Saginaw, Mich. — **E. F. PERRY, New York, N. Y.**

Representing the Conference Committee of the National Lumber Manufacturers' Association and the National Wholesale Lumber Dealers' Association.

Also present:

E. W. McKAY, Traffic Manager, Southern Cypress Manufacturers' Association, New Orleans, La.

W. J. HERMAN, Traffic Manager, Pittsburgh Wholesale Lumber Dealers' Association, Pittsburgh, Pa.

PRESIDENT GRIGGS: We will next hear from Mr. Collar, of Wisconsin, a member of the Railroad Committee.

Concentration and Milling-in-Transit Rates

BY W. G. COLLAR, OF MERRILL, WIS.

Mr. President and Gentlemen: So far as the work of the Railroad Committee is concerned, I know nothing about it, as this committee has had no meeting. However, there was a freight matter that came up before our association, the Northern Hemlock & Hardwood Manufacturers' Association, that we considered of considerable importance.

We were advised of the matter through the box shook manufacturers, and at a quarterly meeting of our association its Railroad Committee was instructed to do what it could to get a hearing before the Interstate Commerce Commission.

It seems that the matter of concentration of freight rates and shipping-in-transit freight rates as applied to lumber was in great danger of being abrogated and all of the benefits now derived being

taken away from us. The Interstate Commerce Commission had ruled, in their Opinion No. 1247, that lumber coming into a concentrating point, consisting of different kinds of wood, such as maple and oak, could not go out and the shipping-in-transit rate be substituted; in other words, if a car of maple came into the concentrating point, a car of oak and maple could not be shipped out to fill that shipping-in-transit billing. They also have ruled that what we consider in our country a concentration freight rate is in reality a shipping-in-transit rate. We had always considered that our rate on logs from the woods into our mills was a concentration rate, as it was a certain charge per ton or per thousand feet from the woods to the mill.

HEARING ACCORDED LUMBERMEN

If this idea of the Interstate Commerce Commission prevails it would be almost impossible to do anything with the concentration rate on logs. For instance, you get in our territory hemlock and hardwood in logs into the mill on the same car, and in order to take advantage of this concentration rate in shipping that lumber out you would have to ship the same kinds of lumber out in your car as you got in on your car of logs, which everybody understands is ridiculous. The matter was not called to the attention of our association until the 18th of April. The Interstate Commerce Commission had closed the case, or would close it on the 25th of April, which gave us very little time to do anything. Shook manufacturers were active in the matter through their Michigan representative, and our Railroad Committee have worked with them, and we have succeeded. We were notified yesterday that Mr. McChord would grant a hearing to the lumbermen and the shook manufacturers on this concentration rate matter on July 17th at Louisville.

SUBJECT NATIONAL IN SCOPE

This is a matter that has come up in our particular territory just recently; but it is no local issue, it is a national issue; and the transportation companies have given us pretty good reason to believe that they are anxious to take up these concentration rates on logs, and make us pay a higher rate on logs into our mills than we are paying now. They have already raised the rate in our territory 100 per cent within the last year and a half. The concentration rate on low grade lumber for the manufacturers of box shooks in our territory is a special rate

per thousand. For instance, on a haul of sixty miles the concentration rate is 3 cents per hundred on lumber—scoots, low grade lumber, and mill trimmings, to manufacture into boxes. The rate on lumber for that specific distance is 7 cents per hundred. No box shook manufacturer can pay 7 cents a hundred on the stuff he gets into a box factory to make into box shooks, and it will eventually result in a very great amount of stock being left in the woods that we are now getting in our mills for the use of box manufacturers. The box manufacturer, as we take it, is a conservationist—the best one we have. He takes stuff that we cannot use very largely for any other purpose.

ALL ASSOCIATIONS SHOULD ASSIST

It does seem to our association, and I hope it will appeal to the National association, that this is a matter that should receive considerable attention; and in talking with some box shook manufacturers and Mr. Ewing, of the Michigan Hardwood Manufacturers' Association, in Chicago yesterday, we all thought that through this meeting here each individual association should take this matter up as an association, and be prepared on July 17 to go before the Commission with arguments for the continuing of the concentration and the shipping-in-transit rates; and that we should also be prepared to show before that Commission that we did not consider a concentration rate as being a shipping-in-transit rate, although the Commission have ruled in their Opinion No. 1247 that it is a part of a shipping-in-transit rate.

I did not know that any report from me was expected, and this is all I have to say. I thank you.

PRESIDENT GRIGGS: We are very glad to get your report. It should be taken right up with the Railroad Committee as organized for this association.

MR. COLLAR: I think this is most important and affects everybody all over the United States.

PRESIDENT GRIGGS: It should be taken up by your committee. We are pretty well on schedule time. We have two reports to hear before 12:30. We are going to have this afternoon an address by Mr. Keith on one of the most important subjects that has ever come before your conventions.

The convention will meet promptly at 2:30. We boys from the saw mills think that an hour is ample time to eat, and we want to get back promptly on time in order to continue this very interesting pro-

gram. As Mr. Bruce, chairman of the Standardization Committee, is not here, we will pass his report for the present, and will listen to the report of the Classification Committee, Mr. M. B. Nelson, Kansas City, Mo., chairman.

Report of Committee on Classification

BY M. B. NELSON, OF KANSAS CITY, MO.

Mr. President and Gentlemen: As the members of our committee are geographically scattered all over the United States we have not found it practicable to hold a joint meeting, and necessarily have had to carry on our consultations through correspondence. It has not been possible for me to put my report before all the members of the committee on account of their not being here. The report is as follows:

The principal work of our committee has been devoted to assisting Mr. Charles E. Brower, who a few years ago, at a meeting of the box manufacturers and different lumber associations, was elected Secretary of the National Classification Committee.

All of you, no doubt, are more or less familiar with the work that has been done by Mr. Brower in connection with this Classification business, but many, probably the same as ourselves, prior to the appointment of this Committee and making investigation, have not understood the amount of energy Mr. Brower has expended toward defending the interest of the manufacturer of wooden boxes and wooden box material.

LUMBERMEN REAPING BENEFITS

We have found that much of Mr. Brower's time during the past three years has been devoted to this interest, and there has been some $17,000 expended through his office in defending the wooden box interest, which has unquestionably been imposed upon by the substitutes in many ways. An audit has been made of the receipts and disbursements of Mr. Brower's Committee, and the Committee has revised the same. But the detailed account of the disbursements were not kept in such a manner as to enable the Committee to determine as to the wisdom of all of the expenses incurred. But we figure the lumbermen today are reaping the benefits of Mr. Brower's efforts, for which no charge has been made. He gave his time in behalf of the steel nail

people, whom he represents. And he has gone ahead with the work of this Committee when they were without the necessary funds to carry out and promote the interest of those his committee were endeavoring to serve, advancing out of his own personal funds the necessary money to carry on the campaign, and as a result there is a deficit of his Committee of $5,225, which we figure should be paid.

BOX MANUFACTURERS HAVE ABANDONED FIGHT

Many of the manufacturers have held back from assisting in this work, feeling it was a matter for the box manufacturers to look after. The box manufacturers have long since given up the fight, largely because of the lack of interest or support from the manufacturers of lumber. Many of the wooden box manufacturers have converted their factories into fiber board or substitute package factories; and they take the position that this is the lumbermen's fight and not that of the box factories. The box manufacturer is interested in manufacturing that which he can make and sell to net him the greatest profit, and I am inclined to agree with them that it is up to the lumber manufacturer to see that the use of his product is not discriminated against.

You probably know the enormous amount of our low grade product, which we have the greatest trouble in disposing of, has been used in the past for box purposes. We have no exact figures, but dare say that close to 10 per cent of the lumber production of the United States goes into boxes. And the decrease in the use of wooden boxes in the past few years, in our opinion, has as much or more to do with the depressed condition of the lumber market than any other one cause.

WOOD BOX MUST BE DEFENDED

It is agreed by some that the passing of the wooden box is simply a matter of evolution, and we admit there is some merit in that contention; but unless those interested in the use of the wooden box stand up and defend their interest, we will be put out of business by the many substitutes which do not have the merit claimed for them, and our interest will suffer a great deal more than need be.

Those interested in promoting the interest of the substitutes have already out-generaled us in every way. We have been asleep at the switch, so to speak. The first thing they did was to penalize the shipper in wooden boxes by appearing before the Classification Com-

mittee and having them change the classification so that the man shipping his product in a paper or pasteboard box would have the same rate of freight on the weight of his product as does his competitor who uses the wooden box. So it is now possible for a shoe manufacturer to ship a carload of shoes from Boston to the Mississippi River, in a fiber box, for $87.00 a car less than his competitor who uses a wooden box. This is only one illustration in a thousand of what can be done.

RAILROADS APPRECIATE WHAT THEY HAVE LOST

Through the work of Mr. Brower we think the railroads now appreciate what they have lost by the discrimination against the wooden box and would be only too willing to revert to the old classification if they could do so, but they are afraid to try it.

The meeting of the Western Classification Committee at Galveston showed they are alive to the situation, and are placing some restriction on the shippers using the substitute packages not having merit.

We appreciate there are many purposes for which the fiber board and substitute packages are just as good, and answer every purpose just as well as the wooden box, and in some cases better—but it is a much easier matter for the substitute package manufacturers to make an inferior article at a low price, without the defects being visible, than it is for the wooden box manufacturers. And as a result the shipper seeks to cut down his expense wherever possible and buys a cheaper substitute package.

The railroad company who at first was not inclined to accept or pay damage incurred on the substitute packages, has found his competitors were willing to accept and pay damage claims on the substitute packages, and he was thus forced to accept of the same or lose business, so we have about reached a point where the shipper can ship his goods in paper bags.

But since Mr. Brower's campaign the railroads have begun to figure up what they are losing on account of goods being packed in inferior boxes, and are making a more determined fight to bring about a better condition.

NEED OF PROTECTION

We do not think it necessary to fight or try to prevent the substitution of any container which is superior to the wooden box for any purpose, but it is necessary to see that the wooden box is not infringed upon and that due consideration is given to the merits of both. Unless the lumbermen look out for this discrimination, it is certain no one else will.

So we believe this work is one of the most important things this association has to look after. In our opinion, we do not need so much advertising as we need protection from intruders, and not let the people be misled as to the true merits. We think funds which come into the hands of the association cannot be better spent in any other direction.

The consumption of box material affects every manufacturer of lumber throughout the entire United States, because the low grades of nearly every wood enter more or less into the manufacture of boxes.

PRELIMINARY WORK ACCOMPLISHED

The preliminary work has been accomplished, but if we stop at this period the promoters of the substitutes will gain the advantage, so we think this campaign should be continued, and as Mr. Brower has given so much of his time and thought to this subject, an effort should be made to secure his assistance in the continuation of this work in the future.

Now inasmuch as we have no funds to work upon, and we think that there is really no necessity for this committee, in order to crystallize our work, we desire to offer the following resolution, viz:

RESOLUTION OF COMMITTEE

RESOLVED, Whereas we have no funds at our disposal, we recommend, first, that the President or the Manager of the association go over the list of contributors to Mr. Brower's Committee, and where there is any association which, in his judgment, as an association or individual member of the association has not contributed about equally as much as the other associations, he call their attention to the same, asking them to contribute such portion as he thinks would be fair and equitable. And should he fail to secure by this means a sufficient amount to cover the deficit of $5,225 in Mr. Brower's Committee, the balance to be paid out of the advertising fund.

Second, we recommend that the work now being performed by our committee be placed in the hands of the Manager of the association, to be handled under the direction of the Advertising Committee.

PRESIDENT GRIGGS: Very glad to have your report, Mr. Nelson, but I presume the resolution will have to be discussed, would it not, if it were brought up for adoption at this time? I would dislike very much to take snap judgment on any resolution.

MR. NELSON: It might be discussed here.

PRESIDENT GRIGGS: We can bring it up at the regular time when the resolutions are presented. If it is agreeable, we will now hear the

report of the special committee on memorial to James Elliott Defebaugh.

Report of Committee on Memorial to James Elliott Defebaugh

On November 21, 1909, occurred the death of James Elliott Defebaugh, after a long and painful illness. At the next annual meeting of the National Lumber Manufacturers' Association, April 20, 1910, the following resolutions were adopted:

WHEREAS, Mr. James Elliott Defebaugh, late editor of the American Lumberman, Chicago, Ill., was a life-long friend and indefatigable worker for the interests of the lumber manufacturers of the United States; and,

WHEREAS, We believe that his death was largely brought about by his arduous efforts in behalf of the lumber industry, before the Ways and Means Committee in its tariff hearing, early in 1909, as a result of which the existing tariff on lumber was reduced but slightly, when evidently it would have been taken off entirely but for such efforts; and,

WHEREAS, The lumber industry in general, and the members of this association in particular, have lost in the death of Mr. Defebaugh a strong and able co-worker; now, therefore, be it

Resolved, That this association take steps to erect a suitable memorial that in some substantial form will attest to the appreciation the lumbermen entertain of the works and worth of James Elliott Defebaugh; and be it further

Resolved, That the President of the National Lumber Manufacturers' Association appoint a committee to solicit funds to establish the aforesaid memorial.

President Hines then appointed, after motion authorizing such action was passed, the Presidents of the associations then affiliated with the National, who were as follows: L. K. Baker, Chairman, Odanah, Wis.; W. C. Landon, Wausau, Wis.; E. E. Finney, Marshfield, Wis.; C. A. Bigelow, Bay City, Mich.; R. M. Carrier, Sardis, Miss.; E. C. Fosburgh, Norfolk, Va.; H. H. Tift, Tifton, Ga.; H. H. Foster, Malvern, Ark.; Frederic Wilbert, Plaquemine, La.; J. P. McGoldrick, Spokane, Wash.; E. G. Griggs, Tacoma, Wash.; L. J. Wentworth, Portland, Ore.; A. N. Riggs, McCormick, Wash.

The following report was made to the annual meeting of the National association in Chicago, May 24, 1911, which was adopted by a rising vote:

The committee to which was left the recommendation of a memorial which would be suitable to express the esteem in which the memory of the late J. E. Defebaugh is held by the lumbermen of the United States, have most carefully considered the matter from every standpoint, and beg leave to report that we feel that the testimonial in recognition of the life and work of James Elliott Defebaugh will be most fitting if it is associated with the Christian organization to which he gave so much of his time and efforts, for not the least of his influence among his fellow men was his devotion to the religious faith of his choice, and his high Christian ideals.

We therefore recommend that a memorial window be placed by this Association in the Forty-first Street Presbyterian Church of the City of Chicago, an institution to the upbuilding of which Mr. Defebaugh devoted many years of earnest and conscientious effort, and in the welfare of which he was so greatly interested.

We cannot think of any more fitting or appropriate testimonial than this, and therefore recommend further that the cost of the same, not to exceed $2,000, be appropriated from the general funds of this association.

Selection of the design proved difficult. We wished the window to suit the subject and to avoid the conventional. Finally we found an artist who grasped our idea. He submitted a design which was so incomparably better than anything else offered that we accepted it and ordered the manufacturers to go ahead with the work. But this involved the expenditure of $1,000 above the $2,000 already appropriated. Your Committee assumed the responsibility for this extra amount, but at the meting of the Board of Governors on January 8 of this year an additional appropriation necessary to cover the cost of the accepted design was made.

We were acquainted with Mr. Defebaugh as an associate and friend of lumbermen, devoting himself with untiring zeal to the welfare of the lumber business, and depending for his reward on the recognition of the beneficial results of his efforts. His services were not rendered on the basis of bargain and sale, he was no paid attorney; what he did was done freely and without promise of reward. He took the broad ground that a man in his business would best serve himself by best serving his constituency.

But while he was thus devoted to the interests of the lumber industry he had other interests dearer to him, and his time and money were freely expended in behalf of Christian work, in the church of which he had been a member from his young manhood, the Forty-first Street Presbyterian Church of Chicago. His influence and help were felt in every department of its work; the Sunday School, the young people's societies, the church boards, the Prayer Meeting, all had his personal support; and he reached out with the church into Young Men's Christian Association fields and city mission enterprises.

To you, who furnish the funds for this window, a brief description may be of interest. It is not one window, but five; that is, the design extends across five windows, all of the same size, located in the north wall of the church. These windows are about 3x14 feet in height, round topped, separated by stone piers. As you look at it you do not see the separating piers, but seem to look out through the openings onto a forest and mountain landscape. It is a scene much like many in the mountains of Pennsylvania, where Mr. Defebaugh was born and raised.

To the right and left of the view are pine trees and hills which, except in the far distance, are forest clad. The center view is without trees, but in the middle distance down in the valley is a beautiful river, and back of it is hill after hill until a lofty mountain ends the scene; and over it is the blue sky flecked with golden clouds, tinted by the setting sun.

The window is a beautiful one, and we believe it to be specially appropriate. Under the center panel is the inscription "In Memory of James Elliott Defebaugh, Mar. 28th, 1854—Nov. 21st, 1909." Under the other four windows or panels are these texts, "I will lift up mine eyes unto the hills from whence cometh my help," "The strength of the hills is his also," "He that liveth and believeth in me shall never die," "He shall be like a tree planted by the rivers of water."

L. K. BAKER, Chairman,
C. A. BIGELOW, Secretary.

PRESIDENT GRIGGS: I am going to ask the Resolutions Committee to formulate proper resolutions for this committee to present at a later meeting. It is a commendable recognition by this association of most valuable services by a man who was ever ready to sacrifice himself for the lumber industry.

I want to again insist, if I can insist, that the convention assemble promptly at 2:30 this afternoon. It is no more than right that you pay this courtesy to the gentlemen who have given of their time and labor to prepare papers for us.

I also want to call the attention of the chairmen of the committees to the necessity of their getting together promptly, because this is a business organizaion and we cannot linger here very long. We want to get the work done. It has been suggested that anybody who has any resolution submit the same to the proper committee chairman, so that the committee can consider it in the interim.

President Griggs then announced the convention in recess until 2:30 p. m.

SECOND SESSION

Tuesday Afternoon, May 7, 1912

The convention met pursuant to recess, President Griggs in the chair.

PRESIDENT GRIGGS: Gentlemen, the convention recessed until 2:30 p. m., it is now 2:32. We opened our morning session with an informal address of welcome from Mr. W. E. Delaney. Mr. Delaney is also down for an address as representing the Hardwood Manufacturers' Association of the United States, of which he is President. As he was so successful this morning, we will be glad to hear from him again.

The Association I Represent

BY W. E. DELANEY, OF CINCINNATI, OHIO

If I burden you for a few moments with a story with which you are all familiar, it is for the purpose of refreshing your memory, that I may show why our association was formed and will be maintained.

It has frequently been stated, and never to my knowledge disproved, that the manufacturers of the South as a whole have made no money in the manufacture of hardwoods. It is true that some have shown profits, but they have been made on the enhancement of stumpage values rather than in the manufacture of lumber. I have heard it stated often that if a timber holder had sufficient time in which to dispose of his holdings, he could realize more from its sale than from its manufacture into lumber. With this condition prevailing it is easy to understand what the manufacturer is up against in the purchase of his raw material. After the timber is purchased he begins to figure the cost of getting the timber into logs and delivered to his mill. I want to ask if there is any manufacturer in the South present here today who has ever been able to install and operate his equipment for less than his original estimate. As soon as he starts his operation trouble begins; it is a fight from the time the whistle blows in the morning until the

whistle at night. Fortunate is the one who does not continue the fight after the closing signal.

DIFFICULTIES ENCOUNTERED

If operating in the mountains he is dealing with the most independent labor in the entire country. If the boss happens to come on the job a little out of humor in the morning he is likely to lose half his crew by night. If the work of a laborer is criticised he takes his gun and goes squirrel hunting, which is much easier than "ball-hooting" logs out of the mountain. If the operator is in the flat country of the South he is up against climatic conditions that make it difficult for him to procure satisfactory labor. He will work diligently for a day correcting some leak in the operation and go to bed at night feeling that the following day will run smoothly, but he no sooner gets on the job the next morning than he finds another leak, usually more serious than the one with which he has just battled.

He usually figures the cost of his railroad at $2,000 a mile, formerly was surprised when it ran to $5,000, but now has become so accustomed to it that he takes it as a matter of course. He must keep a careful eye on every step in his operation. The woods-man may either cut too much timber, permitting it to damage, or he will not have enough to meet requirements. If he happens to want 16-foot lengths he will discover that his cutters found it impossible to get other than 12 and 14-foot. He finds the condition reversed if he wants 12s and 14s. He finally gets his logs to the railroad, though this does not mean delivery. Numerous things may happen before the train gets to the mill. I only recently asked a logging locomotive engineer why he was backing his empties up over the road instead of pulling them, and he said that he "had been having better luck that way." After one has succeeded in getting the logs to the mill he must carefully watch their manufacture. The curing requires an amount of care or the lumber will stain or warp.

PROBLEMS OF MANUFACTURE

The manufacturer constantly faces the two greatest known risks—fire and water. The recent overflow in the Mississippi Valley has in many cases caused losses that will require years to regain.

After all of these difficulties have been faced, the lumber is ready for shipment and he feels that the troubles should be over and no

great hardships imposed in marketing his product. But what is he to find then? Some gentlemen, who sit in city offices, reach there at nine in the morning and leave at four in the evening, riding to and from their work in street cars or automobiles, inform him that *they* should be the judges of how he should grade and market the product. They not only desire to name the price at which he should sell it but the grades that he shall make.

He realizes that he must furnish such character of grades as the consumer of lumber requires for the purpose for which the lumber is intended, but this does not satisfy all the wholesalers. They either want a grade that can be manipulated by mixing, or demand a grade that will enable them to procure from the consumer a higher market price by reason of the higher grade which they are to furnish. If this demand is for the intention first expressed, the methods are dishonest and should receive no support from any element interested in the lumber business. If the second, the methods are harmful to the consumers as well as the producers of lumber. What added value can they give to the consumers by furnishing them a better grade than actually required for the purpose for which it is intended? It is a fact known to every one present that some wholesalers make different representation of the grade to the buyer than they do to the manufacturer from whom they purchase the stock to fill the order. When the shipment is received by the purchaser, the wholesaler figures that he has two chances, first, the purchaser will take a grade lower than that represented in making the sale, or the shipper will stand such a reduction on the shipment as will permit him to make an allowance to his customer equal to the difference in value between that which he has purchased and that sold.

After going through or combatting the difficulties mentioned in the production of lumber, the manufacturer is not in any humor to parley with such methods. It was to combat all of these that our association was formed.

FIELD OF THE DEALER

This organization recognizes the field of the legitimate dealer in lumber. My remarks are not intended for him. It has been stated frequently that our organization had for its purpose the elimination of the dealer from the trade. I want to say emphatically that there was no such intent, but it was and is the purpose of this association

to eliminate the methods of the class of wholesaler that I have mentioned. It is true that the dealer and wholesaler have been classified as middle-men and have placed upon them the burden of carrying the kind of wholesalers mentioned. If they are not content to carry such an element, they have the matter in their own hands and it is up to them to solve the problem. Often the manufacturer prefers to market his lumber through dealers and wholesalers but has been debarred from doing so on account of losses sustained through methods mentioned. The manufacturers insist that it is the duty of the dealers and wholesalers to correct these abuses in the marketing of lumber and deal with the problems as they present themselves in handling lumber between the producer and the consumer, aside from inspection; which the manufacturers feel is a problem to be settled between the consumers and themselves. It is admitted that frequently the manufacturer is in error in shipping stock below the grade provided for in the order, or poorly manufactured material. This organization does not countenance such methods, but is using every effort to have its membership properly manufacture and grade the product.

ELIMINATION OF WASTEFUL METHODS IN MARKETING

There was a day when timber was so plentiful and cheap as to permit wasteful methods in the marketing of lumber, but with the higher prices of stumpage in this day it is not only impracticable but unprofitable. Such methods make it impossible for the consumer to successfully combat wood substitution, which we are contending with. To my mind the unbusinesslike methods in the marketing of lumber have done more to permit the substitution for wood than any other causes. It is just as wasteful and as foolish to require a board to be clear on both sides when one face is shown, as it is to insist that wall paper be as elaborately finished on the reverse side as on the face. It is quite as wasteful to require a clear cutting when a sound cutting answers the purpose as well. This country is clamoring for preservation of its forests. How can they be preserved if the manufacturer is compelled to leave in the forest any part of the tree that can be utilized?

Men without experience have been lured into the lumber manufacturing business through fairy tales told of the wealth that comes to all lumbermen. It has, until the last few years, been thought that all one had to do was to buy a tract of timber, erect a saw mill and then sit back and draw dividends. The truth of the matter is that

the man who can successfully operate a hardwood proposition in the South can hold any job, even to that of running our government.

IGNORANCE OF ONE AFFECTS ALL

It used to be thought that the less our competitors knew of the manufacture and marketing of his lumber the less difficulties we had. This has been proven absolutely erroneous. Every dollar lost in the manufacture and marketing of lumber hurts the entire industry. This association has done much to educate the producer of lumber and what it has accomplished in this regard is a matter of history. Work of this kind is more slow in times of depression than in good times. Much was accomplished prior to the recent depression, and for this reason the members of our organization have gone through the last one in better shape than ever before in the history of the industry.

It has been said that Americans are extremists. I think this is true in regard to the substitution for lumber. While substitution to a certain extent is necessary, as with the growth of this country our forests would have soon been denuded, instead of intelligent substitution the tendency has been to eliminate the use of wood entirely. Some would not only have us live in concrete houses but we must sit in concrete chairs and sleep in concrete beds. The tide is now beginning to turn and we are through experience learning where lumber can and cannot be satisfactorily substituted. The advertising campaign now proposed can be of great benefit in solving this problem and should receive the hearty support of all lumbermen.

MANUFACTURERS SHOULD SUPPORT ASSOCIATION WORK

It behooves every manufacturer to affiliate with the manufacturing association dealing with the problems in the wood in which he is interested so that when we again come into our own we can intelligently meet the demands made upon us. Let us make our manufacturing associations sufficiently strong in numbers to successfully combat all conditions detrimental to our business.

Let the dealers work between the manufacturer and the consumer, where the field is large and profitable and as important as any, and in doing this they will assist in obtaining the results so much desired in the lumber industry.

We will earnestly coöperate with associations of dealers who are endeavoring to solve the problems of correctly marketing lumber.

Let the manufacturing associations use every effort to see that their members properly manufacture and ship their lumber. Unless we do this, we cannot ask or expect the support of the purchasers of our product.

Let the National Lumber Manufacturers' Association deal with the problems that affect no specific wood or woods, but of the lumber industry as a whole.

We have an industry that stands third among those of the nation. Let us then handle it with an intelligence such a business demands. [Applause.]

PRESIDENT GRIGGS: There is a number on the program which was assigned for Wednesday afternoon session, an address by Mr. Charles S. Keith, Kansas City, Mo., on "The Trust Question as Relating to the Lumber Industry." It has been decided to hear that paper now and I know that you will find it exceedingly interesting. Mr. Charles S. Keith, of Kansas City, Mo.

MR. KEITH: Mr. Chairman and Gentlemen: I am afraid that the paper I am going to read on this occasion is pretty long, but I hope to be able to hold your attention during the time that I am reading it. Some pamphlets have been distributed by referring to which you can follow me, and they contain charts which perhaps you can see better than those that will be exhibited from the platform.

The Trust Question as Relating to the Lumber Industry

BY CHARLES S. KEITH, OF KANSAS CITY, MO.

In response to the request of your worthy President and Manager that I prepare and read at this meeting a paper on the trust question as relating to the lumber industry, I advised them that I could only give a paper that I had already prepared for the purpose of showing that the yellow pine industry is not trust controlled. This paper was, primarily, an answer to a suit filed by the State of Missouri against several defendant companies which were either incorporated under the laws of Missouri or had qualified to do business under the laws of that state.

The figures in this connection could be very easily elaborated so as to include the entire lumber industry, in all of its ramifications, but this task so greatly exceeded my ability and the time which I was able to give to it that I could not undertake it, so I will have to confine my remarks to the work already accomplished.

When we look back over the history of the lumber industry for the past thirty years and compare the conditions existing at the beginning of this period with those existing in that industry today, and take into consideration the fact that the public is not conversant with the causes for present conditions, but know only their effects, it is not surprising that they should reach the conclusion that the lumber industry is trust controlled. Such a conclusion, however, is very incorrect, and in order that present conditions may be fully understood it will be necessary to review all the facts.

INCREASE IN DEMAND AND CAUSES CONTRIBUTING THERETO

The continental population of the United States was, according to Mr. Overton W. Price, Associate Forester, for 1880, and "The World Almanac and Encyclopedia," issue of 1911, for 1900 and 1910, as follows:

In 1880	50,153,783
In 1900	75,994,575
In 1910	91,972,267

showing an increase—

Between 1880 and 1900 of 25,840,792, or 51.5 per cent;
Between 1900 and 1910 of 15,977,692, or 21 per cent;
Between 1880 and 1910 of 41,818,484, or 83.4 per cent.

The production of lumber, as shown by Mr. Price for 1880 and 1900, and government reports for 1909, indicates the following consumption:

In 1880, 18,000 million feet, or 360 feet per capita;
In 1900, 35,000 million feet, or 460 feet per capita;
In 1909, 44,509 million feet;
In 1910, *48,959 million feet, or 532 feet per capita.

From the above figures it will be noted that:

Between 1880 and 1900—
The increase in population was.....52 per cent,
The increase in per capita consumption was..28 per cent, and
The increase in total production and consumption was .....94.4 per cent.

Between 1900 and 1910—
The increase in population was.....21 per cent,
The increase in per capita consumption was.15 per cent, and
The increase in total production and consumption was .....40 per cent.

Between 1880 and 1910 (30 years)—
The increase in population was.....83.4 per cent,
The increase in per capita consumption was.47.7 per cent, and
The increase in total production and consumption was .....172 per cent.

We beg to refer here to Chart 1, which was prepared to show:

First—The increase in population from 1880 to 1910 and the relative population of the United States for 1880, 1900 and 1910;
Second—The increase in the consumption of lumber from 1880 to 1910 and the relative consumption of lumber from 1880 to 1910;
Third—The increase in the consumption of lumber, per capita, from 1880 to 1910, and relatively, per capita, from 1880 to 1910.

During this entire period of industrial and social development in the United States there has been no reforestation and every tree cut has diminished the available supply and, consequently, from conditions where the forest was considered of little value the remaining timber, which is now measured and known, has grown to be of great value, both commercially and economically.

* The 1910 figures are estimated by adding 10.7 per cent to the 1909 figures, the increase in production shown by Geo. K. Smith's reports of production.

During this period, the white pine resources of the Lake country have been practically exhausted.

Government reports for 1900, 1908 and 1909 contain the following figures covering production of different woods:

WHITE PINE

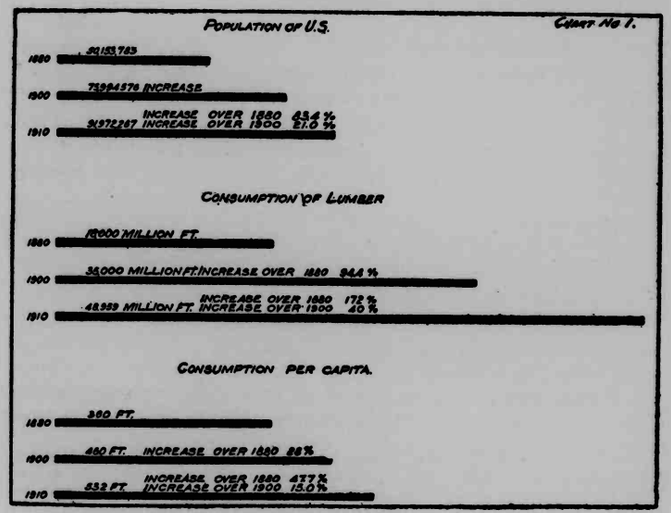
Production in 1900.....7,483,000,000 feet
Production in 1909.....3,900,000,000 feet

Decrease .....3,583,000,000 feet, or 48%

That this decrease is due to forest exhaustion is evidenced by the following quotation from reports above mentioned:

"For more than 30 years the Lake States have led in the production of white pine lumber, and this lead is still maintained, though with a greatly decreased output, due to the exhaustion of the timber supply. The white pine production in Michigan, Wisconsin and Minnesota in 1899 was 5,977,000,000 feet, and in 1909, 2,179,000,000 feet, the production in 1909 being less than the production of Wisconsin alone ten years earlier."

CHART NO. 1.



HEMLOCK

Production in 1900	3,420,000,000	feet
Production in 1909	3,051,000,000	feet
Decrease	369,000,000	feet, or 10%

YELLOW PINE

Production in 1900	9,658,000,000	feet
Production in 1909	16,277,000,000	feet
Production in 1910	*18,067,000,000	feet

As shown during the ten-year period from 1900 to 1910, there was an increase in population of 15,977,692, and a per capita consumption of 532 feet, board measure, so it would appear from this that the increased annual consumption from this source alone in 1910 was 8,500 million feet. The per capita consumption of 1910 shows an increase over that of 1900 of 72 feet, board measure, showing a further increase in annual consumption by the population of 1900 of 5,471 million feet in 1910.

White pine showed a reduction of 3,583 million feet, and hemlock 369 million feet; therefore, upon other woods was thrown an annual increased demand due:

	Feet
First—To increase in population	8,500,000,000
Second—To increase in per capita consumption	5,471,000,000
Third—To increase account reduction in white pine production	3,583,000,000
Fourth—To increase account reduction in hemlock production	369,000,000
Total	17,923,000,000

of which yellow pine contributed, in 1910, 8,409 million feet, Douglas fir 3,020 million feet, and other woods 6,494 million feet, or a total of 17,923 million feet.

INCREASED VALUE OF TIMBER LANDS

During this period, by reason of increasing consumption and diminishing supply of timber, the cost and value of timber lands have

* The 1910 production is estimated to be 10.7 per cent greater than in 1909, by reason of better market and logging conditions, and is reflected in the Yellow Pine Manufacturers' Association reports showing production of Association mills to have increased that year by this percentage.

greatly increased, according to James D. Lacey & Co., timber land factors, as follows:

PRICE OF YELLOW PINE LAND IN LOUISIANA

Year	*Per acre*	*Per 1000 ft.*	*Year*	*Per acre*	*Per 1000 ft.*
1897	$ 3.00	$0.20	1905	$50.00	$3.33
1898	5.50	.36½	1906	50.00	3.33
1899	6.00	.40	1907	55.00	3.66
1900	15.00	1.00	1908	60.00	4.00
1901	20.00	1.33	1909	65.00	4.33
1902	25.00	1.66	1910	67.50	4.50
1903	27.50	1.83	1911	85.00	5.66
1904	30.00	2.00			

In this connection we had prepared Chart 2, showing:

First—Increase in yellow pine lumber from 1897 to 1910;
Second—Increase in value per acre of yellow pine timber lands, the range of prices running from $3.00 in 1897 to $85.00 in 1911.

REVIEW OF TIMBER SITUATION

There has never been an authentic and reliable estimate of the standing timber of the United States. The correctness of the last report of Mr. Herbert Knox Smith, Commissioner of Corporations, on the Lumber Industry, is being very largely questioned by well-informed lumbermen.

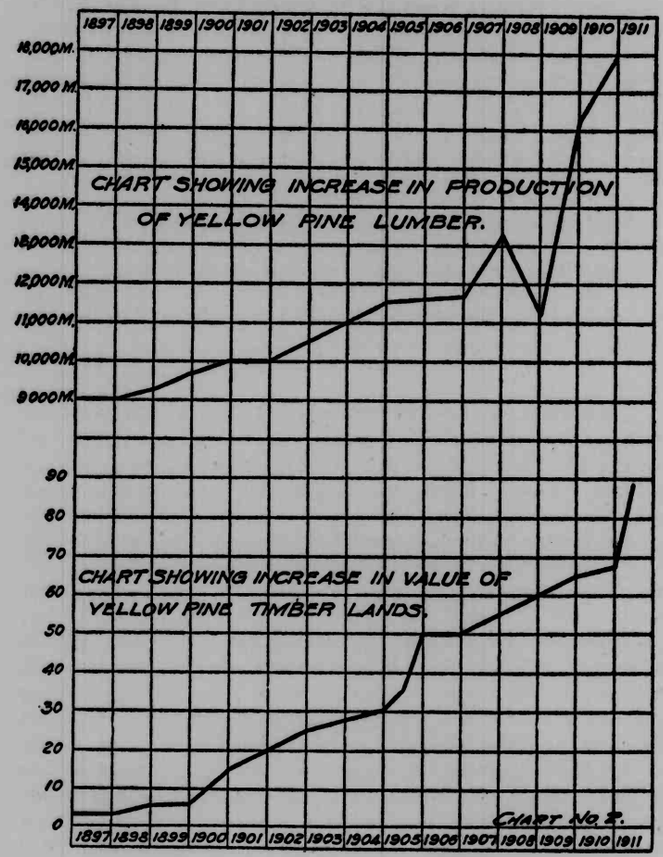
Mr. Smith's report shows a total of 634,000 million feet of timber, board measure, south of the Ohio and Missouri rivers and east of the Rocky mountains. In arriving at this total he has estimated that each thousand feet of timber, log scale, will yield 1,250 feet of lumber, board measure. He states that of this 634,000 million feet, 384,000 million feet is yellow pine. In other words, 384,000 million feet of lumber is, in fact, 125 per cent of the actual yellow pine timber, log scale, and 60.6 per cent of the total timber in the South, hence 384,000 million feet of lumber represents 307,500 million feet of timber or logs.

Mr. Smith, in his report, shows that of the total of 634,000 million feet in the South, the State of Louisiana contributes 119,800 million feet, and estimating that the yellow pine timber in Louisiana bears the same ratio to the total timber in that state as it does to the total timber in the South, we find that of the 119,800 million feet of all classes of

CHART NO. 2.

First: Shows the increase in yellow pine lumber from 1897 to 1911, each one inch on the vertical scale representing one billion feet. This shows the increase in production has been 100%.

Second: It shows the increase in value per acre of yellow pine timber lands, each vertical inch of the scale representing $10.00 in value, the range of prices running from $3.00 per acre in 1897 to $85.00 in 1911.



timber in Louisiana, 60.6 per cent, or 72,598 million feet, board measure, is yellow pine, which represents 58,190 million feet, log scale.

LOUISIANA ESTIMATES

Now a careful survey of the yellow pine timber in Louisiana develops an entirely different condition, and what we find is as follows:

There are thirty-one parishes in Louisiana which have yellow pine timber. Originally they had 7,556,063 acres, but of this 3,806,542 acres, or 50.37 per cent, have been cut over, leaving 3,749,521 acres of virgin timber. This timber, as shown by the Louisiana State Board of Equalization in their report for the year 1910, is divided into four classes, viz.:

Class A—Estimated at 15,000 feet and over to the acre;
Class B—Estimated at 10,000 to 14,000 feet to the acre;
Class C—Estimated at 6,000 to 10,000 feet to the acre;
Class D—Estimated at 2,000 to 6,000 feet to the acre.

In estimating this land and giving it the highest estimate under each classification, we get the following results:

	Feet.
Classes A and B—	
956,896 acres at 15,000 feet per acre	14,354,000,000
Class C—	
960,527 acres at 10,000 feet per acre	9,605,000,000
Class D—	
1,832,098 acres at 6,000 feet per acre	10,992,000,000
Being a total of	34,951,000,000
Adding 10 per cent for incomplete report	3,495,000,000
Shows a grand total of	38,446,000,000

or an average per acre of 10,253 feet, which is much more than the whole will cut, as against Mr. Smith's figure of 58,190 million feet.

FACTS SHOW REPORT IN ERROR

In other words, the facts show that there is 19,744 million feet less of yellow pine timber in Louisiana than Mr. Smith shows, and that the amount shown in his report is 151.3553 per cent of the actual. Therefore, if his report covering the total South is no nearer correct than for the State of Louisiana, it is safe to conclude that, reduced to log

scale, it shows 104,336 million feet more timber than there actually is, and hence there is today only 203,164 million feet of yellow pine.

Now, a careful survey of the yellow pine timber in Louisiana shows that 70 per cent is 12 inches and over in diameter, and that 30 per cent is between 12 inches and 8 inches in diameter, and that the 12-inch timber will cut five stock-lengths logs to the tree, one of which comes from the tops and contains only low-grade timber, so that if all the timber 8 inches in diameter is cut, the South will yield a timber crop of 203,164 million feet, while the timber 12 inches and up, including top logs, will yield 142,000 million feet, and if the top log is not manufactured, only 114,000 million feet.

The small timber and top logs will yield only defective lumber, and our experince has been that small and coarse logs will not yield in realization production costs, and can only be cut at a profit when the demand for lumber is heavy enough so that the price will justify their manufacture.

If the top log is allowed to remain on the ground, it will rot and waste. Past experience has shown us that where the small timber is allowed to remain, a very large percentage will deaden and consequently waste, this being caused by the close proximity of the trees to each other on the ground, and in felling the larger trees the smaller ones are unavoidably scarred and consequently most frequently die.

SELECTIVE CUTTING IMPRACTICABLE

The theory is constantly advanced that only large trees should be cut and the smaller ones, which are supposed to be immature, should be left to mature, but this is not true, not only for the reason that they will deaden but for the further reason that they are frequently overripe and should be manufactured.

If, during the five years from January 1, 1911, to January 1, 1916, the same ratio of increase in population and consumption continues, we could expect to consume 102 billion feet of yellow pine, leaving only 101 billion feet of available timber in 1916; that is, provided all timber 8 inches and up were cut, whereas, if only the 12-inch timber, including the top log, were harvested, the available supply would only be 41 billion feet, and with a still further progressive and cumulative increasing consumption.

Estimating that yellow pine will average, wherever located in the South, 7,000 feet per acre, by 1916 there will be denuded 14,571,428

acres, or 2,914,285 acres per annum; consequently there should be an agreement, enforced by law, to control the output of lumber, in order that a price could be secured to enable the bringing in of all timber, so that the life of timber might be conserved, and in order that the average price might be held to a lower basis for a longer period of time.

It must be conceded that the earlier the reduction of the production of yellow pine occurs, the earlier the values of lumber and timber

CHART NO. 3.

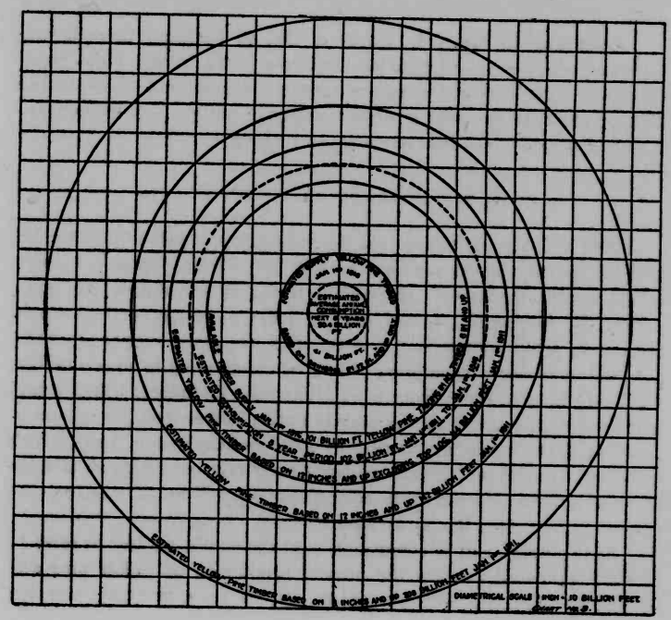
Shows the available supply of yellow pine timber in the South, arrived at in three different manners.

First: Counting all timber eight inches and up in diameter, which gives an available supply of 203 billion feet.

Second: Counting all timber 12 inches and up in diameter, which gives an available supply of 142 billion feet.

Third: Counting all timber 12 inches and up in diameter, but not including the top or low grade log, which gives an available supply of 114 billion feet.

This chart also goes into the future five years, and based on the future average increase in population as shown by 1900 and 1910, gives the available timber supply on hand January 1, 1916, as 41 billion feet, if the timber 12 inches and up only is brought in, and 101 billion feet, if the timber 8 inches and up is brought in.



will increase, and the longer that period is deferred the longer the prices will maintain a lower basis of value.

DECREASING SUPPLY OF TIMBER AND CAUSE

We want to call your attention at this point to Chart 3, on the preceding page, showing the available supply of yellow pine timber in the South and going into the future five years.

This chart shows the supply of yellow pine and consumption, showing how rapidly the supply is being depleted and demonstrating the reasonable expectancy of further and greater appreciations in the value of yellow pine timber, and consequently higher prices for the manufactured product—lumber.

The general consensus of opinion of yellow pine lumbermen is that in 1910 the manufacture of yellow pine reached its zenith and will decline, on account of depleted forests, from now on, as white pine has done.

According to James D. Lacey & Co., of Chicago, there is only 1,200,000 acres of yellow pine land not now in the hands of the manufacturer. This land, at the highest estimate, would yield 18,000 million feet, or less than one year's present output of yellow pine lumber, and it should not take less than ten years to remove it.

ESTIMATED SITUATION ON TIMBER IN 1916

It is seriously estimated that the production of yellow pine lumber will be reduced by 40 per cent in five years from January 1, 1911, which would amount to 7,227 million feet, and that during that same period the increased demand due to increase in population should amount to 3,780 million feet, and that this decreased supply of yellow pine and increased consumption of lumber (amounting to 11,007 million feet) will have to come from the Pacific coast fir timber, which would take from that country approximately 15,683 million feet per annum in 1916, as against their production of 4,856 million feet in 1909, which increased demand will greatly enhance their cost of stumpage and the price of lumber, and the drain on their supply will be 300 per cent per annum greater than it was in 1909.

At this point, and in connection with the above, we beg to refer to Chart 4, prepared to show the present production of yellow pine and fir lumber, and the probable production of each in 1916, also the

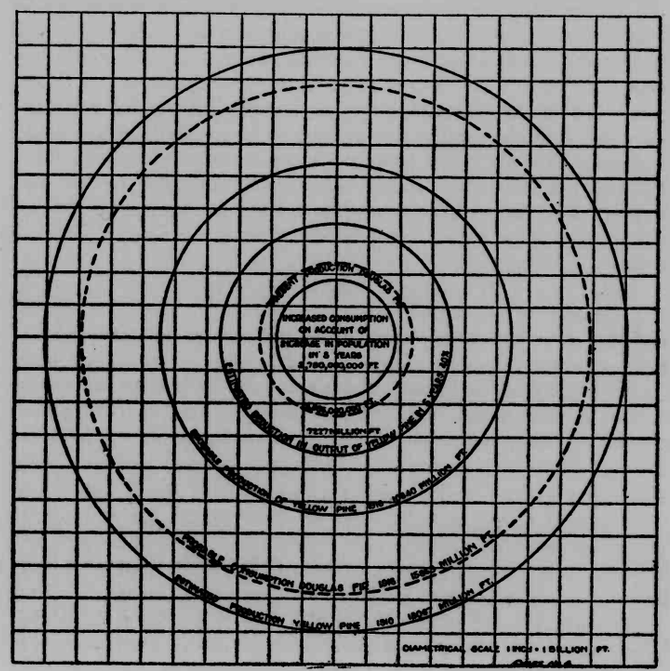
increased consumption by reason of increased population in the same period of time.

COMPETITIVE CONDITIONS

Now that we have attempted to handle the timber supply and demand for lumber in all its phases, let us see whether competitive conditions and lumber prices will justify the claim that there is a "lumber trust."

CHART NO. 4

shows the present production of yellow pine and fir lumber, and shows the probable production of each in 1916, and the increased consumption by reason of increased population in the same period of time, showing thereby that fir lumber will increase from 4,856 million feet in 1909 to 15,863 million feet in 1916, by adding together the increased consumption of 3,780 million, plus the decrease in production of yellow pine of 7,227 million, plus the fir output of 1909.



As to competitive conditions and their relation to the so-called "lumber trust" the impression is broadcast that the "lumber trust" is the Yellow Pine Manufacturers' Association and that its members are the members thereof.

When it is known that there were 234 mills in the Yellow Pine Manufacturers' Association in 1910, and that those mills produced in 1910 (the year of their greatest production) 4,500 million feet, out of the total yellow pine output of 18,067 million feet, or 24.3 per cent of the total production, on the face of it will be seen the impossibility of such a control.

Government reports indicate that in the year 1909, in the states south of the Missouri and Ohio rivers and east of the Rocky mountains there were 28,434 mills.

During the year 1908 manufacturers of yellow pine lumber who were members of the Yellow Pine Manufacturers' Association produced 3,343 million feet, whereas the government's reports show that in the same year there were 9,652 mills active in the manufacture of yellow pine, of which 251 mills were members of the Association and 9,401 were non-members of the Association. The total production of all mills as shown was 11,236 million feet, the Association mills producing 3,343 million feet and the non-Association mills 7,893 million feet, showing that the Association mills produced only 29 per cent of the yellow pine lumber manufactured in that year, and the non-Association mills 71 per cent.

The government's reports for the year 1909 shows that of the total number of saw mills in the South there were 17,359 active mills reported as cutting yellow pine lumber in that year, out of which 234 mills were members of the Association and 17,125 were non-members of the Association, and were and are always in competition with members of the Association. These 17,125 mills produced in 1910 75.7 per cent of the lumber produced, or 13,567 million feet.

In addition, the product of the mills of the fir manufacturers of the Northwest, and the hemlock manufacturers of the North and Northeast, as well as the manufacturers of other woods, are at all times directly in sharp competition with yellow pine, so it will be seen how impractical it would be for one-fourth of the yellow pine product to enter into agreement and affect the market values on their product without not only the coöperation of the non-Association mills in their own territory, but also without the coöperation of the manufacturers of other woods.

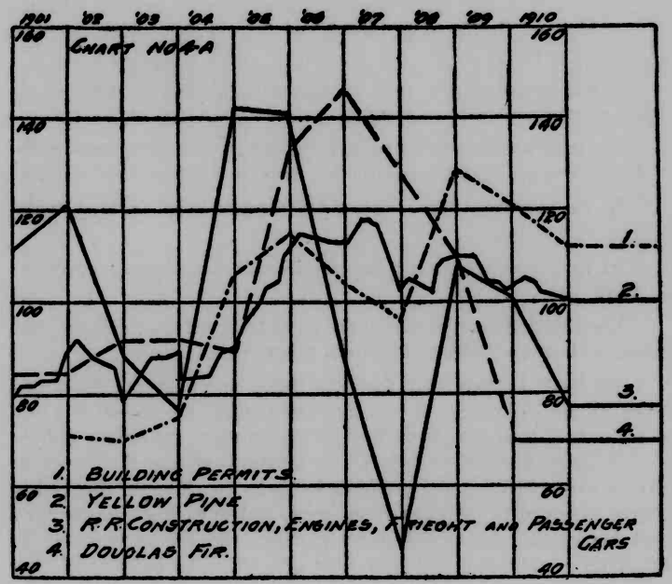
To further show that the price of yellow pine lumber has been governed by competitive conditions and the law of supply and demand, rather than by any external manipulations, we beg to present at this point Chart 4A, showing the fluctuations in price of yellow pine from 1901 to 1911, in its relation to the volume of building permits in 19 of the largest cities of the United States, the volume of railroad construction and freight and passenger cars and locomotives built.

From this chart will be noted the great increase in volume of demand from these sources which advanced the prices of lumber during the various years in this period.

The figures used in this connection have been arrived at in the same manner as have those used by the Department of Commerce and

CHART NO. 4A.

Comparison of Values.



Labor in arriving at the values of the various commodities and have been figured entirely on a percentage relationship basis.

PRICES AFFECTED BY RAILROAD CONSTRUCTION

The price of yellow pine has been materially affected, if not entirely governed, by the fluctuation in railroad construction material required, and what is true of yellow pine is true of other woods and of other commodities.

During times when the volume of railroad construction material was heavy the percentage of production of yellow pine and of other woods that found a market in that direction was increased and, naturally, the prices on domestic building material, commonly known as yard stock, increased as the available supply of lumber that could be utilized for that purpose was diminished, and the fact that there was an increase in the demand for railroad material used in constructive purposes, such as the building of cars and other equipment, was due to an industrial development throughout the country, requiring more cars to move the products.

It will be noted in 1904 there were 136,561 freight cars built; in 1905, 341,315, and in 1906, 310,315.

We have used the years 1904, 1905 and 1906 as being representative of the conditions throughout the country generally at that time.

In the year 1904 there were 2,538 engines built; in 1905, 6,265, and in 1906, 6,642.

In 1904 there were 2,213 passenger cars built; in 1905, 3,289, and in 1906, 3,402.

We also find that in 1904 there were 3,832 miles of railroad constructed; in 1905, 4,388, and in 1906, 5,623.

We find, further, that for these three years, in the 19 largest cities of the United States, the building permits amounted, in round numbers: In 1904, to 302 million dollars; in 1905, 427 million dollars, and in 1906, 460 million dollars. It is safe to assume that the same causes that produced these effects in these 19 cities of the United States extended to the other large cities, and to each and every town and hamlet throughout this great republic, and the various foreign countries as well, and that they were general. The building of cars,

locomotives and railroads was simply the effect caused by the general prosperity of the country and the great increase in the amount of general business. These facts are more specifically shown in the subjoined tables reference to which will show how similarly various lines of business are influenced, though by no means simultaneously.

NUMBER OF MILES OF RAILROAD CONSTRUCTED EACH YEAR AND NUMBER OF ENGINES, FREIGHT CARS AND PASSENGER CARS BUILT EACH YEAR FOR 11 YEARS, FROM 1901 TO 1911, INCLUSIVE, AND THE PERCENTAGE RELATION THAT THE VOLUME OF EACH ITEM FOR EACH YEAR BEARS TO THE AVERAGE FOR THE 11 YEARS; ALSO THE AVERAGE OF THIS PERCENTAGE RELATION FOR THE FOUR ITEMS SHOWN.

	—Engines—		—Freight Cars—		—Pass Cars—		Rys. Const'd	
Year.	*No.*	*Rel. %*	*No.*	*Rel. %*	*No.*	*Rel. %*	*Miles.*	*Rel. %*
1901.....	4,340	118.1	193,439	108.4	2,879	100.0	5,368	117.5
1902.....	4,665	124.0	195,248	109.3	3,459	120.1	6,026	131.9
1903.....	3,283	87.2	108,936	61.0	2,310	80.2	5,652	123.8
1904.....	2,538	67.4	136,561	76.4	2,213	76.1	3,832	83.9
1905.....	6,265	166.2	341,315	191.1	3,289	114.2	4,388	96.0
1906.....	5,642	149.9	310,315	173.8	3,402	118.0	5,623	123.1
1907.....	3,482	92.5	151,711	84.9	1,791	62.2	5,212	114.1
1908.....	1,182	31.4	62,669	35.1	1,319	45.8	3,214	70.5
1909.....	3,350	89.0	189,360	106.1	4,514	156.7	3,748	82.5
1910.....	3,787	100.3	141,204	79.0	3,881	134.7	4,128	90.3
1911.....	2,850	75.7	133,117	74.5	2,623	91.1	3,066	67.1
Totals...	41,384		1,963,875		31,680		50,257	
Averages	3,762		178,534		2,880		4,568	

MILES OF RAILROAD UNDER CONTRACT, MONTH OF MARCH, 1900, TO 1907, INCLUSIVE.

Year.	*Miles.*	*Year.*	*Miles.*
1900.....	5,200	1906.....	13,014
1901.....	5,908	1907.....	11,912
1902.....	7,984		
1903.....	8,505	Total	66,931
1904.....	6,908		
1905.....	7,500	Average	8,366

VOLUME OF BUILDING PERMITS ISSUED IN THE 19 CITIES SHOWN ON ATTACHED STATEMENT, BY YEARS, FOR 1902 TO 1911, INCLUSIVE, AND THE PERCENTAGE RELATION THAT THE VOLUME FOR EACH YEAR BEARS TO THE AVERAGE FOR THE TEN YEARS.

Year.	*Amount.*	*Per cent of average for ten years.*
1902.....	$ 286,858,464.00	71.38
1903.....	283,078,181.00	70.43
1904.....	302,148,782.00	75.18
1905.....	427,168,727.00	106.29
1906.....	460,422,204.00	114.57
1907.....	415,947,907.00	103.50
1908.....	384,740,253.00	95.74
1909.....	520,058,904.00	129.41
1910.....	487,160,844.00	121.22
1911.....	451,177,101.00	112.27
	$4,018,761,367.00	
Average ten years.....	$ 401,876,137.00	

The values of all commodities simply follow the general trend of business conditions and the chart just referred to merely demonstrates this fact.

COMPARATIVE INCREASE IN PRICE OF YELLOW PINE AND OTHER COMMODITIES

The increase in price of yellow pine lumber has not been proportionate with the increase in price of most other staple products necessary to life and existence, and in substantiation of this we refer to Chart 4B, showing the relative price of yellow pine, of farm products, 29 standard commodities and light hogs, for the period from 1890 to 1910, inclusive, the basis price used being the average from 1890 to 1899, inclusive.

In further comparison of prices, we beg to refer to Chart 4C, showing that the fluctuations in yellow pine have been decidedly more erratic than that of the other commodities charted, but at no period has the general trend of increase of yellow pine values been in keeping

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COMPARISON OF RELATIVE VALUES OF VARIOUS COMMODITIES. 1890-1910.

	Farm products.	*29 Commodities.*	*Light hogs.*	*Stumpage Y. P.*
1890	110.0	105.3	88.8	120.4
1891	121.5	110.9	98.2	120.4
1892	111.7	102.7	114.6	120.4
1893	107.9	109.7	148.7	72.2
1894	95.9	98.9	111.6	72.2
1895	93.3	98.5	96.2	72.2
1896	78.3	87.5	80.5	72.2
1897	85.2	88.3	84.2	72.2
1898	96.1	95.4	85.0	132.5
1899	100.0	102.9	92.1	144.5
1900	109.5	119.4	115.7	363.8
1901	116.9	123.8	133.9	481.9
1902	130.5	137.5	152.4	602.4
1903	118.8	134.2	137.0	662.6
1904	126.2	129.8	116.5	722.9
1905	124.2	137.7	120.4	1204.8
1906	123.6	151.0	143.1	1204.8
1907	137.1	162.7	140.6	1325.3
1908	133.1	152.5	127.5	1445.7
1909	153.1	162.1	166.5	1566.2
1910	164.6	181.1	203.8	1626.5
1911	.....	.....	.....	2481.9

CHART NO. 4B.

Schedule showing relative prices of certain commodities from 1890 to 1910. 1. Yellow pine. 2. All farm products. 3. 29 standard commodities. 4. Hogs, light. Basis price, average for 1890 to 1899 inclusive.

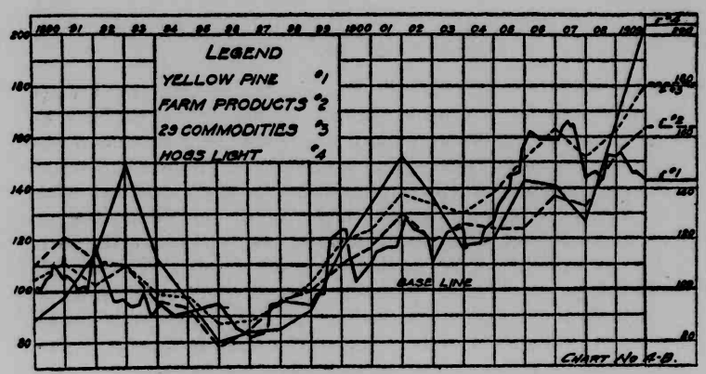
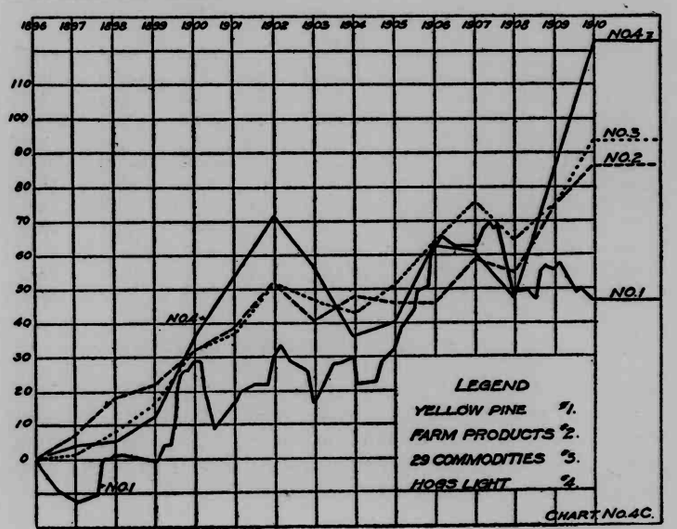


CHART NO. 4C.

Schedule showing comparative fluctuation in prices of certain commodities: 1. Yellow pine. 2. All farm products. 3. 29 standard commodities. 4. Hogs, light. Base line, low price of 1896.



with other commodities, all of which are shown to have increased in greater proportion.

COMPARATIVE PURCHASING POWER OF YELLOW PINE BY OTHER COMMODITIES—1896, 1908 AND 1910

The increase in the price of yellow pine lumber since 1896 has not kept pace with the increase in the price of agricultural products, as is evidenced by the statement which will shortly be presented, giving the number of units of these different agricultural products required to purchase 1,000 feet of yellow pine lumber in 1896, 1908 and 1910, these figures having been compiled from Yellow Pine Manufacturers' Association Market Reports and Government Agricultural Reports. While this statement indicates that the price of yellow pine has followed the general trend of prices on other standard commodities, it will also show that with one exception (cattle, steers, choice to extra) the increase in the value of farm products has been far greater in proportion than the increase in the value of yellow pine lumber.

NUMBER OF UNITS OF COMMODITIES REQUIRED TO PURCHASE 1,000 FEET OF YELLOW PINE LUMBER

	1896	*1908*	*1910*
Barley (bushels)	46.6	33.9	31.6
Corn (bushels)	53.8	36.3	39.1
Cattle, steers, choice to extra (pounds)	302.0	306.0	293.0
Hay, timothy (tons)	1.34	2.01	2.21
Hogs, light (pounds)	390.0	441.0	252.0
Oats (bushels)	77.2	48.3	58.3
Flax (bushels)	17.1	20.7	10.0
Rye, No. 2 (bushels)	39.4	33.2	28.2
Wheat (bushels)	21.7	27.3	20.7
Butter, Elgin (pounds)	77.2	91.8	75.9
Potatoes, white (bushels)	69.5	35.0	52.9

VARIATION IN PRICES OF DIFFERENT COMPANIES

There is pending at the present time a suit brought by the State of Missouri against some 37 defendant lumber companies, including retailers and wholesalers, as well as manufacturing companies, to oust them from doing business in that state on account of an alleged combination to control prices and restrict output.

Referring to the state's charges that these companies combined to control prices, we submitted as evidence of the fact that the various yellow pine manufacturing companies were influenced only by the conditions peculiar to their own particular cases in naming prices on their product, a compilation of invoices covering shipments made and of orders received, on the 15th day of January, April, July and October, of the years 1904 to 1908, inclusive, of ten different companies, which compilation showed that out of 2,298 cases of duplicate shipments on the same items on same days, 2,134 showed a variation in price from 25 cents to $7.50 per thousand, and 95 showed no variation; in other words, 95.87 per cent showed variation and 4.13 per cent showed no variation.

Of the orders, out of 1,095 cases of duplicate sales of the same items on the same days, 909 showed a variation and 66 showed no variation; in other words, 94 per cent showed variation and 6 per cent showed no variation. See tables on this and following two pages.

Further analysis of the orders and shipments which are tabulated and referred to above shows that out of 4,531 items under orders and

	INVOICES			ORDERS		
Year.	*Two or more sales same day.*	*Number of variations.*	*Number of sales no variations.*	*Two or more sales same day.*	*Number of variations.*	*Number of sales no variations.*
1904	79	71	6	0	18	20
1904	99	86	3	0	7	7
1904	124	113	7	1	11	22
1904	103	93	4	2 3	23 59	25
1905	122	114	6	7	73	89
1905	130	124	5	3	32	39
1905	97	85	9	3	49	56
1905	90	75	11	11 24	75 229	92
1906	129	124	3	1	38	56
1906	133	126	2	2	54	60
1906	65	60	0	9	42	67
1906	62	60	1	3 15	48 182	53
1907	117	111	2	3	45	56
1907	145	138	6	3	66	88
1907	133	126	4	4	68	74
1907	123	119	2	4 14	62 241	66
1908	120	113	5	5	101	116
1908	159	150	9	0	8	9
1908	148	132	8	0	27	27
1908	120	114	2	5 10	62 198	73
	2298	2134	95	66	909	1095
	Per cent based on Column No. 1, 4.1340.			Per cent based on Column No. 1, 6.0274.		

invoices, 473 were above the *current list, of 10.4 per cent of the total; 307 were on the current list, or 8.1 per cent of the total; and 3,688 were below the current list, or 81.39 per cent. Of the 2,542 items under orders, 297 were above the current list, or 11.68 per cent; 309 were on the current list, or 12.15 per cent; and 1,936 were below the current list, or 76.16 per cent. The items shown as being above the list reflected a variation of from 50 cents to $4.85 above the list, and those shown below the list reflected a variation of 31.9 cents to $2.00 below the list.

* The expression "price list" is not to be understood as a list of prices at which the many hundred different items of yellow pine were actually being sold or to be sold by all or any number of manufacturers nor even by a single manufacturer. The same publication was interchangeably referred to also as a "market report" and a "price current." "Market report" is perhaps the most accurate. All meant the same publication. The compiler placed a "price" in dollars and cents opposite each and every item of yellow pine. This "price" simply represented, in concise and intelligible form, one man's information and judgment as to the general range of yellow pine market values in the entire territory, without different rating as to localities in which yellow pine was sold.

In addition to its value as a reflection of the trend of values, the "list" by whatever name called was and is a convenient and universally used basis for making actual quotations between buyer and seller. The method is common in mercantile pursuits. Set out at length in the publication are all the terms as to grades, freight rates and conditions of delivery, so that an offer to sell at so much "off list" and a mere acceptance thereof makes a complete contract containing every essential of certainty and leaving no room for uncertainty as to terms or conditions.

	INVOICES				
	Above List.	*On List.*	*Below List.*	*Total Items.*	*Average Above list.*
January 1904	8	5	217	230	$ .813
April 1904	7	3	228	238	1.480
July 1904	1	2	232	235	.500
October 1904	9	1	223	233	.583
January 1905	16	29	198	243	1.250
April 1905	26	47	175	248	1.212
July 1905	12	60	130	202	1.625
October 1905	55	63	84	202	1.355
January 1906	23	9	250	282	1.000
April 1906	95	40	136	271	.786
July 1906	21	8	149	178	.583
October 1906	69	21	84	174	.826
January 1907	22	35	178	235	.807
April 1907	18	16	252	286	1.222
July 1907	21	13	216	250	.500
October 1907	22	4	223	249	.557
January 1908	35	13	166	214	1.271
April 1908	8	1	281	290	1.094
July 1908	5	0	266	271	4.850
Totals	473	370	3688	4531	$1.004
Per cent	10.439	8.166	81.395		

Considering that this is, as above stated, sworn evidence, supported by invoices and orders, it should be the most convincing proof of a lack of any concerted action on the part of these companies to control prices.

PERCENTAGE RELATION OF PRODUCTION OF DEFENDANTS IN MISSOURI "OUSTER SUIT" TO ASSOCIATION AND UNITED STATES PRODUCTION

In connection with the charge that these companies combined in 1904 to restrict the output, I desire to call your attention to the following statement, showing the total production of the companies that are defendants in this suit from 1903 to 1905, inclusive, showing the percentage relation of their production to the production of the Yellow Pine Manufacturers' Association and also to the total yellow pine production in the United States for the same period:

Year.	*Production 17 companies.*	*Production Yellow Pine Association.*	*Production yellow pine United States.*	*Per Cent. 17 Cos. to Assn.*	*Per Cent. 17 Cos. to U. S.*
1903	599,486,194	3,101,123,779	11,000,000,000	19.33	5.45
1904	652,233,877	3,289,513,255	11,533,070,000	19.83	5.66
1905	714,713,175	3,229,079,845	11,600,000,000	22.13	6.16
1906	783,835,186	3,646,687,333	11,661,077,000	21.49	6.72
1907	779,803,997	3,818,520,730	13,216,185,000	20.42	5.90
1908	679,738,249	3,408,547,278	11,236,372,000	19.94	6.05
1909	778,412,097	5,041,674,610	16,277,185,000	15.44	4.78
Total	4,988,222,775	25,535,146,830	86,523,889,000	19.534	5.765

	ORDERS				
	Above List.	*On List.*	*Below List.*	*Total Items.*	*Average Above list.*
January 1904	2	0	78	80	$ .625
April 1904	6	0	40	46	2.000
July 1904	0	2	59	61	
October 1904	9	0	100	109	1.194
January 1905	12	30	135	177	.708
April 1905	33	35	70	138	.712
July 1905	11	23	87	121	1.045
October 1905	21	69	96	186	.750
January 1906	4	44	102	150	.438
April 1906	44	32	60	136	.773
July 1906	11	8	129	148	.318
October 1906	45	19	57	121	.533
January 1907	29	8	96	133	.319
April 1907	21	22	138	181	.714
July 1907	6	3	185	194	.666
October 1907	5	0	168	173	1.250
January 1908	34	13	155	202	.471
April 1908	4	1	64	69	1.188
July 1908	0	0	117	117	
Totals	297	309	1936	2542	$ .651
Per cent	11.684	12.156	76.160		

In addition to the foregoing, a price agreement is something that would not be practical in the distribution of lumber, for the reason that the marketing of lumber products is distinctly a merchandising proposition, and prices have to be elastic in order to dispose of surplus stocks so that the various items can be disposed of rather than held on hand and allowed to rot in the pile.

By reason of the manner in which nature grows timber, it is not a uniform crop, any more than is any other crop—that is, from certain acres in a section where a mill may be operating there will be a heavier production of large logs, with a consequent accumulation of a greater amount of high-grade lumber, which will naturally cause a surplus of this character of lumber over and above a normal stock. On the other hand, there will be some acres containing smaller trees, from which there will be a greater yield of the lower grade stock, and a consequent accumulation of that character of material.

Therefore, if there were a price agreement, some mills would find it impossible to dispose of these accumulations without a loss that would more than offset any possible gain from such an agreement.

Great stress was laid by the Attorney General of the State of Missouri, in taking testimony in the ouster proceedings, on the fact that the prices from which large concessions were made were probably caused by the fact that somebody was long on these particular items. We called his attention to the fact, while on the stand, that that was probably true, but when we considered that in the yellow pine industry there were 17,359 saw mills, all of which were always long on some one item, and as there were only 600 or 700 items on the price lists, anybody trying to dispose of normal stocks would be confronted by the competition of those who were long on those items and consequently the long items fixed the market value of the total product.

EFFECTS OF STOCKS ON HAND ON MARKET PRICES

There were in 1910, according to government reports, 48,112 saw mills in the United States, and they produced in that year 48,959,000,000 feet of lumber, 35 per cent of which, it is estimated, was carried in stock on the yards of the manufacturer, which amounted to 17,135,650,000 feet. There were in this same year, according to United States Postoffice Reports, 59,281 postoffices in the United States, and it is estimated that there were at least 40,000 retail lumber yards in the country, and that they carried stocks on hand amounting to not less

than an average of 300,000 feet each, or a total of 12,000,000,000 feet, making a total of stocks on hand in the yards of the manufacturers and retailers of 29,135,650,000 feet, being equal to 59 per cent of the total annual production of all mills. These stocks have the effect of holding down the values of lumber, for the reason that at times the retailer will make his sales from his stocks without replenishing same, and if during such a period the manufacturers' stocks are normal, the manufacturer is accumulating stock, and consequently, from lack of storage capacity and lack of funds to carry additional stocks, is compelled to make such prices as will move his stock. Consequently these stocks on hand in the yards of the manufacturer and of the retailer act as an additional governor and regulate the market value of lumber.

RANGE OF VALUES

As to prices, referring again to government reports, for the year 1909, we find that the average value of yellow pine, f. o. b. mills, was as follows:

In 1899, $8.46; in 1904, $9.96; in 1906, $15.02; in 1907, $14.02; in 1908, $12.66; in 1909, 12.69.

And we find that the range of delivered prices during the period from 1897 to 1911 on several of the principal items of lumber showed great fluctuation during that period, as shown by Charts 5A, 5B and 5C, on pages 107 and 108, to which we beg to refer here.

It will be further shown, by reference to Chart 6, that the cost of production of one mill, with exceptionally good manufacturing condi-

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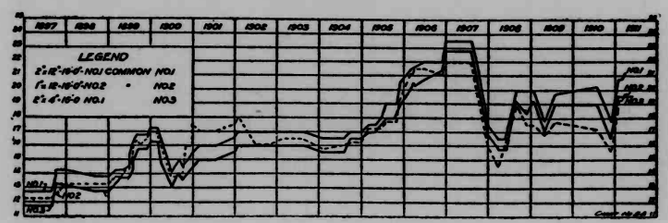
CHARTS NOS. 5A, 5B AND 5C,

showing fluctuation in price on 14 items of yellow pine most commonly in use from 1897 to 1911. These are drawn to a vertical scale, where each of the heavy lines represents $1.00 in value.

CHART NO. 5A.



tions, showed an increase in total manufacturing cost of 88 per cent between 1897 and 1911, while the average price at the mill of the lumber that plant manufactured increased only 78 per cent for the same period.

The percentage of increase in the various items entering into the cost of manufacturing lumber was as follows: Timber, 2,500 per cent;

CHART NO. 5B.

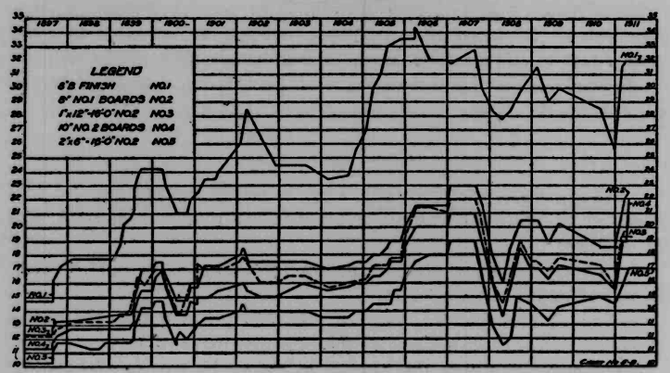
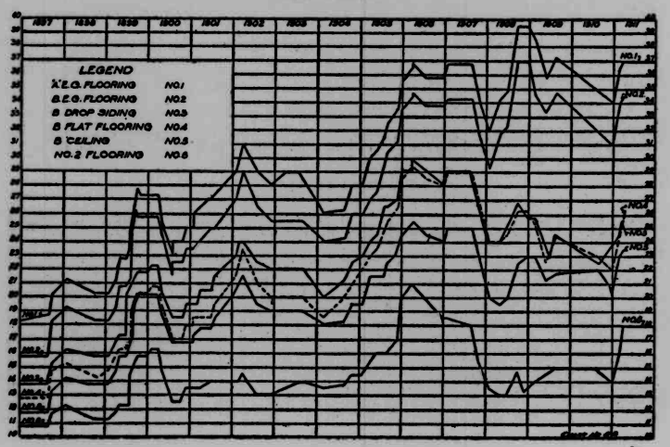


CHART NO. 5C.



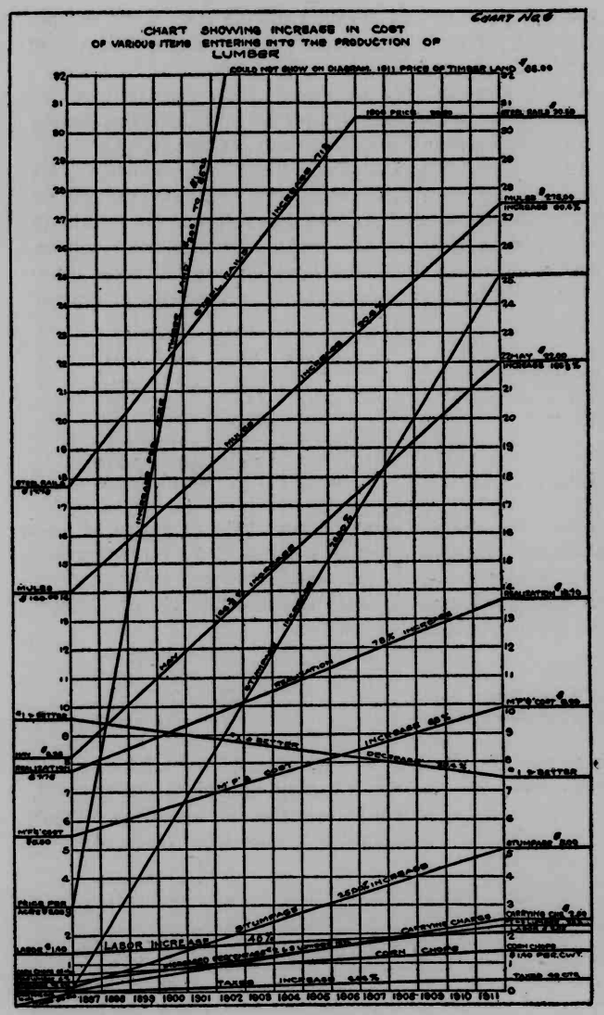


CHART SHOWING INCREASE IN COST OF VARIOUS ITEMS ENTERING INTO THE PRODUCTION OF LUMBER
COULD NOT SHOW ON DIAGRAM. 1911 PRICE OF TIMBER LAND $68.00
1911 PRICE $13.00
1897 PRICE $8.00
INCREASE 62.5%
1897 PRICE $13.00
INCREASE 160%
1897 PRICE $5.00
INCREASE 78%
1897 PRICE $1.40
INCREASE 40%
1897 PRICE $.40
INCREASE 33⅓%
1897 PRICE $.40
INCREASE 33⅓%
1897 PRICE $.40
INCREASE 33⅓

carrying charges, 5 per cent on timber, 2,500 per cent; taxes, 666 per cent; hay, 166 2-3 per cent; corn chops, 112 per cent; mules, 90 6-10 per cent; steel rails, 71 per cent; labor, 46 per cent.

The increase in quantity of low grade lumber manufactured, because of cutting small timber, was 475 per cent. It increased from 4 per cent of the whole production in 1897 to 23 per cent in 1911.

In Chart 7 we showed, comparatively, the cost of production of the same southern mill for 1901, 1908 and 1911, and estimated the cost for 1912, based on present value of stumpage, and showed the percentage of increase in cost in three principal items—stumpage, labor and expense. Expense includes such items as materials, supplies, taxes, insurance, etc., but not including general expense, sales expense or interest.

	Percentage			
	1901	*1908*	*1911*	*1912*
Stumpage	16.9	28.5	34.3	41.8
Labor	60.3	44.0	45.0	39.8
Expense	22.8	27.5	20.7	18.5
	100.0	100.0	100.0	100.0
Total	$7.10	$11.53	$9.46	$10.68

The next three columns show the percentage of grades of lumber manufactured. Especial attention is called to the large increases in low grade lumber made, for the reason that the close cutting of timber and the manufacture of small trees and top logs into lumber reduces the merchantable lumber product.

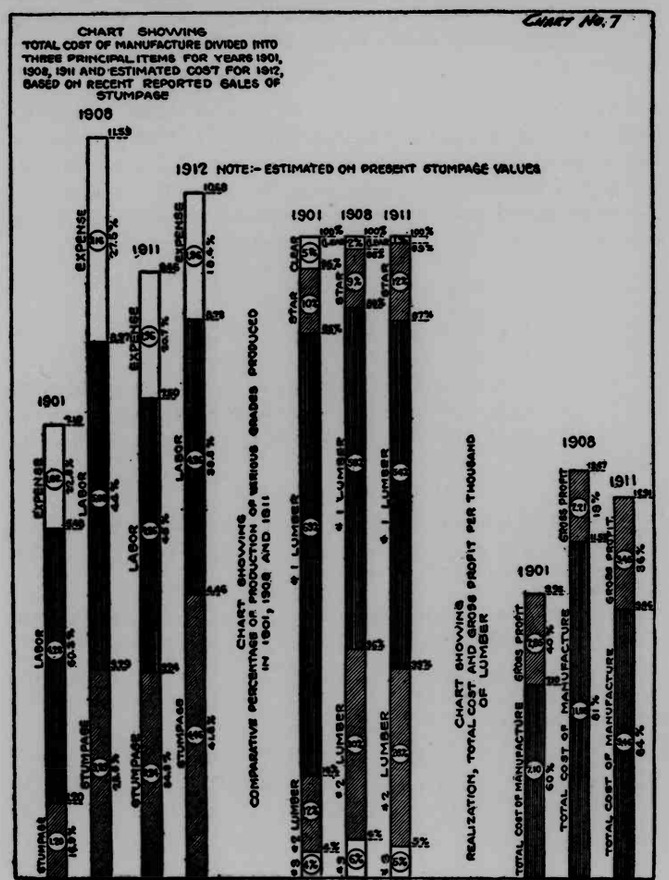
	Percentage		
	1901	*1908*	*1911*
No. 2 and No. 3	16	36	33
Merchantable grades	84	64	67

In order that the effect of increasing production of low grades may be understood, we give the following example: For instance, by reference to this chart, it will be seen that in comparison of 1901 and 1911, the following percentages of grades were produced:

	Percentage	
	1901	*1911*
Clear	5	1
Star	10	12
No. 1	69	54
No. 2	12	28
No. 3	4	5

CHART NO. 7

shows comparatively the cost of production of the same Southern Mill for 1901, 1908, and 1911, and estimated cost for 1912, based on the present value of stumpage and showing the per cent. of increase in cost in three principal items, being stumpage, labor and expense, such as material, supplies, taxes, insurance, etc., not including general expense, sales expense or interest: First: Stumpage, 1901, 16.9; 1908, 28.5; 1911, 34.3; 1912, 41.8. Labor, 1901, 60.3; 1908, 44.0; 1911, 45.0; 1912, 39.8. Expense, 1901, 22.8; 1908, 27.5; 1911, 20.7; 1912, 18.4. Total, 1901, $7.10; 1908, $11.53; 1911, $9.46; 1912, $10.68. Second: Nos. 2 and 3, 16%; 1908, 36%; 1911, 33%. Merchantable grades, 1901, 84%; 1908, 64%; 1911, 67%. Third: Realization, 1901, $9.95; 1908, $13.74; 1911, $12.91. Cost, 1901, $7.10; 1908, $11.53; 1911, $9.46. Gross, 1901, $2.85; 1908, $2.21; 1911, $3.45, showing that the per cent of operating expense to gross realization has increased and the percentage of gross earnings to realization has decreased during said period.



Now, if, for example, these grades realized the same average mill price each year, as follows: Clear, $25; star, $20; No. 1, $15; No. 2, $10; No. 3, $7; and we take 100,000 feet in each instance and extend into total realization, we find that the percentage of grades produced in 1901 would have produced an average price in 1901 of $15.08, while in 1911 the price would be $13.90, or a lower basis of $1.18 per thousand, which might be considered as an indirect increase in cost. By conservation methods of closer cutting of timber and saving methods of manufacture, a mill of 30 million feet capacity would show a smaller return for 1911 by $35,400.

COMPARATIVE COSTS AND REALIZATION

The third set of figures shows the average prices secured for lumber and their relation to manufacturing cost, and the gross profits, not including interest, sales or general expense, indicating that the per cent of operating expense to gross realization has increased and the percentage of gross earnings to realization has decreased during this period, which shows the following operating percentages:

	—Percentage—
Year	*Cost*
1901	60
1908	81
1911	64

From the above mentioned statement, the relation between the cost of manufacture and the realization on lumber is very clearly shown, as it will be noted that the fluctuations in both are very much in the same ratio.

RETURN ON INVESTMENT

Return on investment for 1897, 1901, 1908, 1911, and showing investment and return, based on average sized mill of 30 million feet capacity, with ten-year life, or 300 million feet:

1897—300,000,000 stumpage @ $0.20	$ 60,000.00
Cost of plant	150,000.00
Total investment	$210,000.00
Realization, 1897—$7.75	
Cost " — 5.50	
Gross " —$2.25	
30,000,000 output @ $2.25 per thousand	$ 67,500.00
Percentage return	32

1901—300,000,000 stumpage @ $1.33	$399,000.00
Cost of same plant	250,000.00
Total investment	$649,000.00
Realization, 1901—$9.95	
Cost " — 7.10	
Gross " —$2.85	
30,000,000 output @ $2.85 per thousand	$ 85,500.00
Percentage return	13.2
1908—300,000,000 stumpage @ $4.00	$1,200,000.00
Cost of same plant	300,000.00
Total investment	$1,500,000.00
Realization, 1908—$13.74	
Cost " — 11.53	
Gross " —$ 2.21	
30,000,000 output @ $2.21 per thousand	$ 66,300.00
Percentage return	4.4
1911—300,000,000 stumpage @ $5.66	$1,698,000.00
Cost of same plant	350,000.00
Total investment	$2,048,000.00
Realization, 1911—$12.91	
Cost " — 9.46	
Gross " —$ 3.45	
30,000,000 output @ $3.45 per thousand	$ 103,500.00
Percentage return	5

TOTAL EARNINGS AND EARNINGS PER 1,000 FT., BOARD MEASURE, TO RETURN 10 PER CENT

Any fair-minded business man will concede 10 per cent gross on the investment in any manufacturing property, based on present values or future present values. The following figures show the earnings necessary to produce this result, in total and per thousand, same investment, same years:

	1897	*1901*	*1908*	*1911*
Total investment.	$210,000.00	$649,000.00	$1,500,000.00	$2,048,000.00
Gross	21,000.00	64,900.00	150,000.00	204,800.00
Average profit	.70	2.16	5.00	6.82

We herewith present Chart 8, to give an ocular demonstration of the earnings necessary to return the same percentage of profit on the actual amount of investment for the years 1897, 1901, 1908 and 1911.

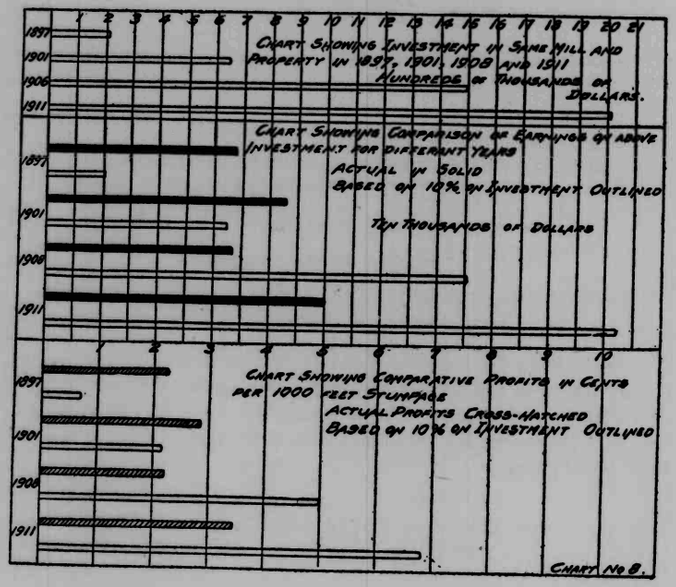
From these examples and statements, it will be seen that at no time has the manufacturer of lumber received a fair return on his investment, and his investment should represent what it would presently cost to replace his plant and timber, that being the only fair way it can be figured for a manufacturer who intends to remain in the industry.

SUMMARY

So, by the foregoing, we see that the present conditions expressed in sales values to the public are due to two great causes, viz;

1st—Supply of and demand for lumber.

CHART NO. 8.



2nd—Increase in cost, as follows:—

(a) Increase in timber costs by reason of depleting forests;
(b) Increase by reason of labor and supplies entering into the costs;
(c) Increase of interest carrying charges and taxes on investment;
(d) By reason of closer cutting and increased production of lower grade lumber, and NOT DUE TO TRUST METHODS.

CONCLUSION.

Before concluding these remarks, I desire to dwell upon a few of the conditions affecting the various industries.

The rapid growth of the population of this country, through immigration and otherwise, is continually plunging us into alternate periods of aggressive activity and reaction. In the past, after a period of stagnation, where the industry of the country has been awaiting the march of progress to catch up with the development, we have, all too late, awakened to find that we have not been alive to the rapid growth, and the demand for our commodities at such a time has generally exceeded our ability to supply same; consequently, we have proceeded on a rush program to increase our capacities to augment the supply in the same ratio as the demand has been increasing, but the consuming public have generally awakened before the manufacturer to the difficulty of securing their requirements, and have bought during such times in excess of their needs, thereby greatly stimulating the demand and making it during such periods speculative. We have been slow to recognize this phase of the situation, and have been prompted to further large increases in our developments to take care of the demand indicated by such purchases, resulting in an over-production. When the demand has again become normal, this over-production has resulted in wasteful competition, leaving nothing for the manufacturer to do but to sit still and again await further increase in the growth of the country to absorb the increased capacity of the additional development. These periods have come up in regular cycles, resulting in depression and prosperity, each following the other as a natural sequence.

Following each period of reaction with its consequent over-production and under-consumption, we are confronted with two horns to the dilemma:

1st—The necessity of consolidation of industrial interests in large enough aggregations to bring about necessary curtailment of production, legislate values, and stop the waste of capital, raw material, and natural resources, or enter into trade agreements for the same purpose.

2nd—To allow this wasteful competition to result in the survival of the fittest.

The first situation, by reason of statutory laws, both Federal and State, would be illegal and could only be accomplished, if at all, with the greatest danger, and consequently we are confronted by the second proposition, only.

In our own business (the lumber industry), we have seen resultant waste of our forests by this condition, and I might say in passing, that the same situation is true as to the coal measures, and we believe that this applies not only to these two industries, but to all other large industries in the country, consequently the business interests, generally, have recognized that by reason of these laws and having these cycles of activity and depression, the situation is unhealthy and a menace, not only to our individual properties but to each and every inhabitant of the country at large, through the great economic loss created by these conditions.

REASONABLE TRADE AGREEMENTS SUBJECT TO REASONABLE REGULATION ARE NEEDED

That these laws will eventually have to be repealed or modified, we know, but the great question is, when? Some means must be provided so that business may go ahead and we cannot wait until the people, through their own experience, will demand a change in these laws. We, as business men, in company with the representatives of other industries and industrial workers, must organize and coöperate together to educate the people and their representatives in Congress to the fact that in order to relieve our condition and prevent waste, we must be permitted to enter into reasonable trade agreements under proper and reasonable regulation. Such regulation should be had from a non-partisan civil service body or commission, composed of men of successful business experience, and not of professional office-seekers; and until such changes come over the body politic we must continue as we are, wasting our resources and creating economic waste,

hastening the time when higher prices must result by reason of this waste. But if we organize the representative commercial and industrial bodies of the country and proceed to educate the public, we may yet live to see the day when such constructive economic principles prevail in the direction of our governmental policies.

I would therefore urge upon this body that steps be taken by it for some regular organization which can take up the question with other similar organizations, to the end that we may have proper representation before the various House and Senate committees in Washington and in our various States, and properly present the needs of business to the representatives of the people. [Applause.]

MR. WHITE: Mr. Chairman, I think we should give Mr. Keith a vote of thanks for that admirable paper. I want to make a motion to that effect, and also that a copy of it be sent to every Member of Congress and every Senator, and placed in every library in the United States, if provision has not already been made to that effect.

PRESIDENT GRIGGS: Provision has been made, but I think the motion might be put. I think it will emphasize the fact that the association officers are wide awake to the situation. Gentlemen, you have heard the motion, the Chair will call for a rising vote. All those in favor will rise. (After unanimous vote in the affirmative.) There is no need to call for the negative on that, and I want to thank Mr. Keith on behalf of the association, particularly for the time and labor that he has bestowed on this admirable paper.

The next number on the program is the report of the Advertising Committee, Mr. A. T. Gerrans, Houma, La., Chairman.

Report of Advertising Committee

BY A. T. GERRANS, OF HOUMA, LA.

Your Committee desires to make a brief report of its work during the past year.

Pursuant to the wishes of the National association delegates of the convention, held in Chicago last May, your President, Mr. Griggs, named Mr. J. E. Rhodes, Mr. G. E. W. Luehrmann and myself as the committee on advertising and we were instructed to examine into the proposition and be prepared to make recommendations at the earliest possible moment.

After due efforts had been made to collect the paid for arguments of the substitutes for wood, which, by the way, was not a hard task, in order that we might see ourselves as others see us, and also after due consideration of the problem from various angles, we decided to make a report, which by reason of what we might reasonably call "startling exposures" of the methods, both above and underground, and language both true and untrue, polite and the reverse, became of necessity an argument or brief of the Committee's viewpoint.

THE ATTACK ON LUMBER

This report or brief was issued under date of June 30, although it was about twenty days later when the pamphlets were actually mailed. Your Committee, in the interim occupied by the members of the various associations in studying our report and recommendations, continued their research work and the farther we dug the more necessity we saw for digging. We discovered that, in our opinion, there was practically a well defined attack upon the lumber trade in general, which if not organized by and directed by the cement, steel and roofing interests, then these interests were peculiarly unfortunate in that the footprints in the mud all led direct to their doorsteps, and if circumstantial evidence was of any value it convicted them in our minds of deliberately and with malice aforethought of trying to build up their business by pulling down ours.

We conceived it our duty, having once put our shoulders to the wheel, to get out the second pamphlet, containing ten solid pages of

"knocks on wood," in which we also placed illustrations representing what, in our opinion, were the causes of the decline in the demand for forest products and also in what relative proportions one to another they bore, also we endeavored to show what, in our opinion, were the remedies to be applied.

This second pamphlet was issued to the members on or about October 1. About this time some of the associations began taking action and your President called upon your Committee to be prepared to present the result of their investigations to a meeting of the Board of Governors, which was held on January 8, 1912, at the LaSalle Hotel in Chicago. Our statements were received and discussed for several hours, and a resolution accepting the recommendations of the Committee and instructing said Committee to proceed with the campaign as soon as $100,000 had been actually subscribed, was unanimously passed. At that time it was calculated that the favorable action of the Hardwood Manufacturers' Association of the United States and the Yellow Pine Manufacturers' Association would obtain the minimum of $100,000, and your Committee felt very much gratified when both associations voted in favor of the movement and agreed to furnish their portion of the necessary fund.

As soon as the President received the news of the favorable action of the last named associations he notified the Committee to go ahead, and on March 4 the Committee was called together in Chicago. There were present Mr. Rhodes, Mr. Luehrmann and myself—Mr. Geo. S. Long, of Tacoma, was unable to be with us and so was Capt. J. B. White, he having just sailed for Europe. At this meeting we contracted with the Crosby-Chicago Advertising Agency to do what might be called our expert work; having gone thus far, we spent several hours discussing the rapidity with which the money would pour into the secretary's office in St. Louis. We finally decided to await the report from the Secretary before actually spending the money, and shortly after that date your President notified us that the manager's office was to be returned to Chicago in order that the Manager might be able to take up the advertising work together with his other duties. What has been done since that time will be explained to you by the Manager.

CASH IS NEEDED IMMEDIATELY

The Committee wishes to thank a great many members of the affiliated associations for the kind, often strenuous, and nearly always

victorious, efforts to help us get favorable action. The gospel of wood vs. wood substitutes has found just as strong advocates amongst the members as are on this Committee.

We also desire to thank the lumber press individually and collectively for the uniform cordiality with which this great movement has been received by them and also for the spontaneous efforts to help throw light upon the subject in their editorials. Their continued good offices will be appreciated and we would ask everyone interested in the lumber business to make suggestions calculated to help the cause—and above all will not everyone of those present today constitute himself a committee of one to see that the members of his association send in their money. No one can pay for space in the papers, rent, printing, etc., without money, and to be absolutely candid with you, we are proud of your moral support, proud of your verbal support, but your monetary support is what we are after. We know and you know that nothing can be done without the money and we therefore ask you in all earnestness to "come across and do it now." [Applause.]

MR. R. A. LONG, Kansas City, Mo.: Referring to Mr. Keith's paper, I do not know what method of getting it before Congressmen or State Senators will be made, but it has occurred to me that it might be well to have those pamphlets sent by citizens of the different states. To illustrate: if Mr. White should send copies to the Members of Congress and Senators from Missouri, and write them letters about it, they would pay a great deal more attention to it than if the copies were simply received in the mail sent out officially by the association; so I think it would be not only well to have them forwarded by some half a dozen citizens of any particular state, but have the same gentlemen write letters accompanying them, advising that such a pamphlet had been sent and stating that the parties sending it would be glad if they would read it.

PRESIDENT GRIGGS: I should be glad to act upon that suggestion, but I would feel that we would probably get a number of copies sent out more promptly from the Association office, and then if that were supplemented by our Association members writing letters to their Representatives and Senators it might do the most good and at the earliest possible moment.

MR. LONG: Don't you think, Mr. Chairman, it would be well to select and name half a dozen men from each state, and suggest to them just what you want them to do? What is everybody's business is nobody's business.

PRESIDENT GRIGGS: I will be glad to act on your suggestion.

Mr. J. W. BLODGETT, Grand Rapids, Mich.: I will undertake to take care of the Michigan delegation.

PRESIDENT GRIGGS: Are there any other volunteers who will agree to take care of others?

MR. WHITE: I will be glad to do that in my territory. I know that the writing of personal letters will secure for us courteous and personal attention, or a personal answer. I wrote one hundred different Congressmen in regard to the appropriation being cut down for the Forestry Service, and I found seventy-five replies awaiting me when I got home. If I had sent them something without any letter, or request, they would not have paid much attention to it.

PRESIDENT GRIGGS: I will make it a point to see the members from each State. I might state that the Board had an all-day session yesterday and took up many important matters in the Association work. A resolution was unanimously passed that the President and Secretary of each affiliated association should be named as an auxiliary advertising committee, so that in regard to this effort to get money and lay the details of the advertising campaign before your organization you are going to hear from your President and Secretary, who are on this auxiliary advertising committee.

PRESIDENT GRIGGS: I have eliminated calling for the address of A. C. Dixon, as he is unable to be here, he is in Washington. He is our representative from Oregon. But we have in the room one of the delegates who attended the convention of the National Chamber of Commerce of the United States at Washington, D. C., Mr. Horton Corwin, jr., and we will ask him to give us a few words in connection with that report.

Report on National Chamber of Commerce

BY HORTON CORWIN, JR., OF EDENTON, N. C.

Mr. Chairman and Gentlemen: I was appointed a delegate by the President of this Association to attend the conference held in Washington, called by the President of the United States, and which was addressed by the President, and afterwards the conduct of its proceedings turned over to Secretary Knox. It is an endeavor on the part of the government to secure what may properly be termed a clearing house of business interests for the exchange of information.

The organization is on the basis of one delegate for each twenty-five members. Whether they will expect to count the membership of the affiliated associations or not, I am not prepared to say; but there are twenty-five directors, and among the number the President of this Association, Mr. A. C. Dixon, of Eugene, Ore., and Mr. Joseph N. Teal, were elected Vice-Presidents.

Mr. Teal and Mr. Dixon were both acting delegates at that meeting.

I do not know that the plan would make it necessary for you to take any action with respect to that organization at this particular time; and I do not suppose that it is up to me to make any recommendations, my not being Chairman of that Committee, but it seems to me that it might be well, if you saw fit, to pass a resolution expressing your sympathy with the movement, and then when the plans are formulated they will, of course, be referred to you and you will have an opportunity then to pass upon whether you wish to join the National Chamber of Commerce of the United States.

Report on National Chamber of Commerce

BY JOSEPH N. TEAL, OF PORTLAND, ORE.

Portland, Ore., April 30, 1912.—National Lumber Manufacturers' Association, Tacoma, Wash. Gentlemen:

Pursuant to appointment by you, I attended as a delegate, the National Commercial Conference held in Washington, D. C., on April 22 and 23, 1912, which conference lead to the formation of the National Chamber of Commerce of the United States of America.

For a number of years the National Board of Trade has been maintained by comparatively a few loyal members. It has done excellent work and has some very important measures to its credit, not the least of which is the part it took in securing the establishment of the Department of Commerce and Labor. For some reason unknown to me, it did not secure wide recognition or support. However, as evidence of the spirit of its members, on the formation of the National Chamber of Commerce it voted to disorganize and turn over to the new organization its funds, amounting to about $1,000.

NECESSITY FOR A NATIONAL ORGANIZATION

Under the keen stress of national competition it has become increasingly apparent that this country would have to take some organized action if it is to participate as it shouuld in foreign commerce, as well as develop to the greatest extent its domestic trade. It has also been felt that there should be a closer relationship between the commercial interests and the department of the government created especially to advance them. This could only be done through an organized effort and the creation of some semi-official body with which the Department of Commerce and Labor could deal, knowing such body was really representative of and represented the commercial interest of the country.

THE CALL

The conference was called by Secretary Nagle at the direction of the President, under date of March 1, 1912. On March 2 Secretary Nagle issued invitations to all commercial and industrial associations to appoint delegates to attend a conference to be held in Washington, D. C., April 22, to consider the establishment of a national commercial organization and outlining the principles by which such an organization should be governed.

THE MEETING

The meeting was called to order on April 22, 1912, at 10:30 a. m. by Secretary Nagle. The President of the United States opened the meeting with an address, of which the following is a part:

"I am deeply gratified at the response to the call for this meeting. When the recommendation for a national chamber of commerce was made, the suggestion appeared problematical to the minds of many. But I have been so much impressed with the need for constant and intelligent coöperation with the great industrial forces of our country that I concluded to put the question to an immediate test.

"Even regulating measures which have been adopted in the past may have suffered for lack of advice from those who should be best qualified by experience and training to give it. Now that we enter upon the broad field of constructive legislation the need for that counsel is absolutely apparent to all of us. Specialized investigation and learning may evolve theories. Those theories no doubt provide proper foundation for new measures. But in the last analysis every thought must stand the test of actual use. With respect to that test the disinterested advice of those who are to live by the proposed measures is of first importance. You gentlemen are most concerned to have rules of action formulated and adopted that are calculated to insure fair dealing on the one hand and allow and promote legitimate expansion and development upon the other.

"To that end you and the government must coöperate. This you cannot accomplish so long as you are disorganized. The advantage of one interest is sure to work to the disadvantage of another.

"The government cannot favor separate interests; but it should promote commerce and industry as a whole. This is the meaning of the recommendation in my message. To accomplish this I trust you may make some decided progress in this meeting."

Secretary Nagle followed with an address urging the creation of a permanent representative trade organization to act with the government departments in solving the pressing economic problems. The meeting was then turned over to delegates with Mr. Harry A. Wheeler, of Chicago, in the chair.

ATTENDANCE

There were between seven hundred and eight hundred delegates present, representing commercial bodies from all parts of the United States and insular possessions. It can be fairly said the delegates were truly representative of the great commercial interests of the country. It was evident from the start they had come for business and not for a frolic.

PLAN

I will not undertake to go into details, indeed I could not do so at this time. It is perhaps sufficient to give a general outline of the plan and purposes of the organization. The plan states the object of the association as follows:

> "The object of this association shall be to provide a national clearing house for the development and consideration of business opinion and to secure united action upon questions affecting the commercial interests of the United States. Only questions of national importance shall be considered."

The permanent headquarters is to be in Washington, D. C., and a national charter will be secured.

Each association having twenty-five members shall be entitled to one delegate to the National Chamber of Commerce, and for each additional 100 members an association shall be entitled to one more delegate up to ten, which is the maximum number of delegates which may be sent by one organization. Each association is to pay $25 annual dues for each delegate to which it is entitled.

Provision is made for submission of questions to the various constituent members for consideration and report. Questions may also be submitted to the Board of Directors for reference, and if the Board approves, it then goes to all the members for further consideration.

For the present the organization will conduct its work on the following basis and through the following bodies:

A general counsel to consist of one member from each constituent member;

A board of twenty-five directors which in turn can appoint an executive committee;

A president, three vice-presidents, a secretary and a treasurer.

It was agreed that the Board of Directors would prepare a permanent constitution and by-laws to be submitted for final recommendation at the next general meeting, but such constitution must conform to the general plan adopted. When this is approved a national charter will be applied for. In the meantime the present organization will continue its work.

THE DIRECTORATE AND OFFICERS

The general meeting elected the following Board of Directors:

GEORGE H. WHITCHER	New Hampshire
JOHN H. FAHEY	Massachusetts
A. M. COOPER	Connecticut
JOHN P. TRUESDALE and LUDWIG NISSEN	New York
A. J. LOGAN	Pennsylvania
BERNARD N. BAKER	Maryland
WILLIAM D. MULLEN	Delaware
FRANCIS F. PRENTISS	Ohio
FREDERICK BODE	Illinois
HARRY T. WICKS	Michigan
AUGUST H. VOGEL	Wisconsin
C. G. CRODDOCK	Virginia
P. J. KRUESI	Tennessee
LEWIS W. PARKER	South Carolina
B. THOMPSON	Louisiana
I. H. KEMPNER	Texas
H. J. HODGE	Kansas
ELIAS MICHAEL	Missouri
B. F. KAUFFMAN	Iowa
E. P. WELLS	Minnesota
EVERETT G. GRIGGS	Washington
A. C. DIXON	Oregon
HORACE H. ALLEN	California

The Board of Directors chose the following officers:

PRESIDENT—H. A. WHEELER	Chicago, Ill.
VICE-PRESIDENT FOR PACIFIC SLOPE—J. N. TEAL	Portland, Ore.
VICE-PRESIDENT FOR THE SOUTH—ASA G. CHANDLER	Atlanta, Ga.
VICE-PRESIDENT FOR THE EAST—A. B. FARQUHAR	York, Pa.
TREASURER—JOHN JAY EDSON	Washington, D. C.
COUNSEL—J. FRANCIS BURKE	Pittsburg, Pa.

GENERAL

Full and complete reports and a copy of plan of organization will be issued and distributed to all participating in the organization as soon as possible.

In my opinion, the importance of this organization in the develop-

ment of our trade, if properly supported, cannot be over estimated. I know the administration views it as of the utmost importance. Secretary Nagle said he considered the successful organization of the National Chamber of Commerce as the most important event in his administration.

Throughout Europe such organizations, working in coöperation with the government, have been most powerful factors in developing and extending trade, and I have no hesitancy in saying that modern methods in trade demand such organizations and modern methods are just as important in the development of trade relations as they are in manufacturing or commercial enterprises. Indeed, the stress of national and international competition requires the use of every reasonable expedient and instrument. This body will be a medium by and through which the national government will be constantly in touch with the commercial needs and requirements of the country, and the country on the other hand will be kept informed of the commercial situation not only in the United States but throughout the world. It will be recognized as standing for the commercial interests and in a position to be of the greatest service. The better knowledge of our needs and the needs of others, the acquaintanceship that will result, the coöperation and mutual assistance that will necessarily follow, will all be of inestimable value in the contest for our fair share of the trade of the world, as well as in the large development of our own business and our own resources. I most earnestly urge and recommend that this body, as soon as it can be properly done, join the national body and support and further its work in every possible way, confident that in the result obtained the business and industrial interests of the National will be the gainer thereby.

Respectfully submitted,

JOSEPH N. TEAL.

PRESIDENT GRIGGS: If there is any resolution on that subject it can go to the Resolutions Committee and be discussed when we consider their report, unless you want action taken now. The Chair hears no objection, and it is so ordered.

The Northern Hemlock & Hardwood Manufacturers' Association's president, Mr. Edward A. Hamer, of Chassell, Mich., not being here, is represented by Mr. R. S. Kellogg, secretary of the same association. We will now call on the latter gentleman for his paper on the subject of "Lumber Prices."

Lumber Prices

BY R. S. KELLOGG, OF WAUSAU, WIS.

Mr. President and Gentlemen: What I have to say this afternoon follows somewhat in the same general line as Mr. Keith's remarkably good address, but nowhere near comes up to it. It may, however, present a few facts from possibly a little different angle, leading, I am very glad to say, to the same conclusion on my part that he reached on his part.

I have been more or less observant of the lumber industry for several years, and I have a pretty fair record of attendance at this association. I have been wondering a great many times as to what the lumberman is. There is possibly somewhat of a philosophical question involved. Some people say that he is a manufacturer. I have a good many doubts, from some things I have seen, as to whether he is an up-to-date, efficient manufacturer—efficient in the production and the marketing of his commodity. I am rather doubtful as to whether he is a very good manufacturer, or not.

WHAT THE LUMBERMAN REALLY IS

Some people say that he is a lumber merchant, a merchant of the commodity he makes; and my doubts are even greater on that score than on the question of his being a manufacturer. I believe that of 48,000 to 50,000 lumbermen in the United States, 300 or 400 possibly are pretty good merchants; but I am sure that a very large percentage of them are not very good merchants, and I think that many of you will agree with me in that. I have not the time to go into the details of the evidence.

The lumberman is in some cases a speculator; but he has not been a very successful speculator in the last five years. I could present evidence on that score.

Now there is only about one thing left for him to be. When a man could not be anything else it always used to be said that he became a farmer. Possibly the lumberman is a farmer. I held to that notion for quite a while, that the lumberman is more of a farmer than

anything else, at any rate that he is more in the farmer's class than that of the merchant, manufacturer, or speculator. But even here I have begun to doubt very much whether or not the lumberman is a farmer. He is like the farmer in that he goes out and cuts down his timber and runs it through his saw mill, and piles it up in his yard, and then next day tries to sell it. He is a good deal like the farmer who when he has raised his crop and got it in the bin has to sell it, or let it spoil. I do not believe the lumberman is a very good farmer. But if he is not a farmer there is only one thing left; if he is not a farmer he must be a goat. I am pretty sure he is a goat; and before I get through this afternoon I think possibly some of you will agree with that point of view.

AVERAGE LUMBER PRICES FOR TEN YEARS

Now going back to the dry subject of statistics again, according to the census reports for the years given below, the average mill values of all kinds of lumber in the United States was:

1899	$11.13
1904	12.76
1906	16.54
1907	16.56
1908	15.37
1909	15.38
1910	15.30

The increase in average value of the lumberman's product at the mill, from 1899 to 1910, was 37.4 per cent. On the other hand, the decrease in the average value from 1906 to 1910 was 7.5 per cent. Remember, there was a positive decrease from 1906 to 1910 of the average mill value of all kinds of lumber of 7.5 per cent.

INCREASE AND DECREASE BY SPECIES

The following table shows the increase and decrease in the period given with respect to the various species, the percentages in the right hand column not shown with an asterisk indicating the decrease, and those with the asterisk indicating the increase:

AVERAGE MILL VALUES

	1906	*1910*	*Decrease Per cent*
Ash	$24.35	$22.47	7.7
Basswood	18.66	20.94	15.0
Beech	14.05	14.34	*2.3
Birch	17.24	17.37	*0.8
Chestnut	17.49	16.23	7.2
Cottonwood	17.15	17.78	*3.7
Cypress	21.94	20.51	6.5
Elm	18.08	18.67	*3.3
Douglas Fir	14.20	13.09	7.8
Red Gum	13.46	12.26	8.9
Hemlock	15.31	13.85	9.6
Hickory	30.42	26.55	12.7
Larch	11.91	11.85	0.5
Maple	15.53	16.16	*4.1
Oak	21.76	18.76	9.2
Sugar Pine	16.11	18.68	*9.8
Western Pine	14.01	14.26	*1.8
White Pine	18.32	18.93	*3.3
Yellow Pine	15.02	13.29	11.5
Yellow Poplar	24.21	24.71	*2.1
Redwood	16.64	15.52	6.8
Spruce	17.33	16.62	4.1
Tamarack	15.63	13.30	14.0
All Kinds	16.54	15.30	7.5

LUMBER COMPARED WITH FARM COMMODITIES

On the other hand, we have a pretty interesting comparison as to what was doing in farm commodities during that same period. The average farm prices on December 1 of each year for the commodities given for the period 1896-1905 and 1906-1910, and the percentage of increase in prices were as follows:

AVERAGE FARM PRICES—DECEMBER 1

	1896-1905	*1906-1910*	*Increase*
Corn, per bu.	37.1c	52.1c	40.5%
Wheat	69.4	87.1	25.6%
Oats	28.1	39.6	41.0%
Barley	41.2	55.3	34.3%
Rye	52.5	70.3	34.0%
Buckwheat	53.5	68.1	27.3%
Potatoes	49.9	58.8	17.9%
Cotton, per lb.	8.3	11.4	37.4%
Tobacco	7.2	10.0	39.0%
Hay, per ton	$8.07	$10.78	33.6%
Average			33.1%

From 1900 to 1910 the increase in the average prices of horses and mules was:

	1900	*1910*	*Increase*
Horses	$44.61	$108.19	142.6%
Mules	53.55	119.84	123.6%

The study of the above tables showing the high percentage of increases of prices of farm products, will certainly convince you that the lumberman is not a very good farmer; and you must further remember that many of these commodities the lumberman had to buy in order to feed his stock.

FARMERS BENEFITED MORE THAN OTHERS BY INCREASED COST OF LIVING

Now I have here some extracts from the Year Book of the Department of Agriculture for 1910, which are authoritative, interesting, and I think possibly will not be too long. They say:

"The farmer has benefited more than others from the changed conditions which have manifested themselves in increased cost of living. For instance, the product of one acre of corn in 1899 was worth on the farm $8.51, but ten years later it was worth $15.20, an increase in farm value amounting to 78.6 per cent. Similarly, wheat increased in farm value 114 per cent, tobacco 56.2 per cent, and cotton 65.6 per cent. Ten leading crops taken together—including, besides those mentioned, oats, barley, rye, buckwheat, potatoes, and hay—increased 72.7 per cent in farm value.

"This, of course, is no advantage to the farmer if the increase in price of the things he has to buy is still greater. To ascertain the facts in this matter, the Bureau of Statistics sent a letter to a large number of retail dealers doing business with farmers. These dealers were asked to quote the prices which prevailed in 1899 and in 1909, taking care to compare articles of the same grades. In this way the percentage of increase in the prices of about eighty-five articles commonly used by the farmers was determined.

"In three cases the prices were less in 1909 than in 1899; in four cases they were the same; but in all other cases they had increased, the increases running from 2.7 per cent in the case of manure spreaders and mowers to 53.8 per cent in the case of brooms. Coffee increased 9.8 per cent; flour, 32.4; salt, 14.9; sugar, 8.7; overalls, 22.9; rubber boots, 29; calico, 26.9; muslin, 25; and so on. For all the articles considered, the average increase was 12.1 per cent.

"Now compare this with the 72.7 per cent increase in the farm value of the ten leading crops. The farmer has evidently benefited more than the rest of the community—taken all together—from the changes in values."

The Year Book goes on to say that the increased purchasing power of one acre of farm crops is largely due to the increase in the output per acre. The Department of Agriculture takes a great deal of credit to itself for the increased yield per acre which has made the farmer so prosperous; but if you take these same statistics and chase them back for the last twenty or thirty years, you will find that there has been mighty little increase in our production per acre of cotton, wheat, oats, or any of these crops—a very small percentage.

AVERAGE YIELD PER ACRE COMPARED

The average yield per acre for the last ten years, comparing United States and Germany is as follows:

	United States. Bushels.	*Germany. Bushels.*
Corn	26	..
Wheat	14	30
Oats	29	50
Barley	26	35
Rye	16	25
Potatoes	92	200

So our farmer has not been so very efficient after all. It looks a little as if the farmer has been as wasteful and inefficient as the lumberman has ever been accused of being. He has simply had more good luck. A Department of Agriculture expert says in the May World's Work that all the staple farm crops now produced in forty-eight states could be grown on the improved land in fourteen states with 26,000,000 acres to spare. So the farmer has not improved his methods very much after all, but things have been in his favor. One of the big things that has been in his favor is the fact that, according to the census reports, practically 50 per cent of the people of the United States now live in cities, whereas in 1860 less than 25 per cent—I think 22 per cent—comprised our urban population. The people have gone into the cities and have become consumers instead of producers. The total production of farm products has increased little if at all.

SARDONIC REFUTATION OF LUMBER TRUST IDEA

Now the lumberman is up against many kinds of trouble. Of course he has a "trust"—a perfectly wonderful "trust." The lumber

trade is not a trust, yet according to one authority—"This organization has thousands of members in all parts of the country, many of them presumably men of independent minds and preferences; and they are so perfectly disciplined that at the appearance of one little signal, all act together like a drilled army. It has all the business territory of the United States so mapped out and divided that its prices rule everywhere, and its members, under the control of its formulated principles, dominate and possess the trade.

"It attacks recalcitrants and outsiders, drives them out of business, closes yards and factories, terrorizes alien manufacturers, scrutinizes the private books, records, and letter-files of its opponents, has its spies in every unfriendly establishment, studies and follows every suspected shipment, keeps incessant watch on suspected business men, maintains a horde of well-trained detectives, bribes employees, scatters hush-money, dogs witnesses. It has exerted its influence over courts, public officers, administrations, legislatures, Congress and political parties. Composed of a great number of diverse elements, it is compact, secret, efficient, most ably managed, and while three-fourths of its members have no idea of its own activities, they follow, support, and obey it with unquestioning faith.

"Manufacturers were brought closely together, retailers were brought closely together; then manufacturers, wholesalers, and retailers were induced to work together faultlessly for a common end.

"High prices were assured, profits made certain, competition was practically obliterated."

TYPICAL EXAMPLES CITED

You see what a wonderful octopus you are, and you can realize the things that the lumberman is up against. Now when I read this, I was inspired to do a little sleuthing myself on the trail of this mysterious octopus, and so I went to a couple of members of our association and they turned their records over to me, and the results of their experience are rather surprising. I have no doubt whatever that they can be duplicated in other localities. These concerns that I investigated were located in Wisconsin and Michigan. I found that a stock of eight million feet of hemlock lumber was shipped from Nov. 1, 1910, to October 31, 1911. Deducting freight, commissions, discounts, allowances, cost of millwork and loading, the receipts for the lumber in the pile rough at the mill were exactly $10.00 per thousand. This was

for a stock which ran 56 per cent No. 1, 20 per cent No. 2 and 24 per cent No. 3—slightly better than the average. Taxes, insurance, interest and selling expense amounted to $1.00 per thousand—making a net price of $9.00 per thousand. Sawing cost $2.75 per thousand—leaving $6.25 for the lumber in the log. Logging and carrying to the mill cost $7.00 per thousand log scale at the lowest calculation. Allowing 30 per cent overrun, this amounted to $5.40 per thousand feet of lumber, or but little more than actual operating cost, with no allowance for stumpage, taxes and interest on standing timber. Were the mill so situated that all the lath, tanbark and mill waste could be marketed at a fair price, the net return from these products would not amount to more than $1.75 per thousand feet of lumber.

Another example: A well-managed firm, which did a large business in 1911, received $6.44 per thousand for its No. 3 hemlock. The manufacturing cost—i. e., sawing, piling, shipping and selling—was $3.69 per thousand, and administration cost—i. e., office expense, salaries, depreciation, interest and taxes—$2.84 per thousand—a total of $6.53. Logging cost $4.50, and delivery to the mill, $1.20, or $5.70 per thousand feet of lumber, making the total cost $11.73 for lumber which sold for $6.44, with no allowance for stumpage, which perhaps should not be charged against the cull product. On its entire hemlock sales of ten million feet, this firm received a net price of $9.73 per thousand, against a production cost of $10.82, with stumpage charged at $3.00 to $3.50, according to location—a loss of $1.09 per thousand on this basis.

This firm also received a net price of $8.65 for its No. 3 Ash, $8.42 for No. 3 Elm, $6.55 for No. 3 Hard Maple, $7.75 for No. 3 Soft Maple, and $7.86 for No. 3 Birch—all produced at a cost of not less than $12.00 per thousand.

These are typical examples of conditions that have prevailed for the last four years. For hemlock they mean that in the most favorable situations, the manufacturers have been getting from $1.00 to $2.00 per thousand for stumpage that cannot be purchased for less than $2.00 to $3.00, and that in other situations, there has been no return for stumpage. For low grade hardwoods they mean that the production has been at an actual loss of several dollars per thousand.

SOURCES OF LUMBER SUPPLY

There are only two possible sources of lumber supply in the United States, one of them being timberlands owned by individuals

such as you and I, the other timberlands owned by either the states or the National government—the public forests. At present, people like you and I own about four-fifths of the timber supply. Neither you or I would produce any lumber if we could not obtain the cost of production for it when we came to saw it up and market it. One of our best-known foresters says: "It is better to waste timber than to waste money," and this is the keynote to private conservation. Human beings will always be guided by that principle as long as they remain reasonable. I have never seen the cost of production correctly figured during all my acquaintance with lumbermen. There has been statement after statement published in the lumber journals about the cost of producing lumber, none of which have ever been correct; they have shown nothing but the harvesting cost. There has never been a thoroughly worked out statement of what it would cost to produce a thousand feet of timber. I do not know where you are going to get a properly worked out basis of cost, and yet such a basis must be secured if the cost of lumber is ever going to be figured out right in the United States. I have no idea of what the ultimate selling prices will be, but they must come up to the cost of production or lumber will not be permanently produced by private efforts. That is a fundamental fact.

ITEMS ENTERING COST OF PRODUCTION

The real cost of production must include the growing of timber, logging, sawing and marketing the product. The largest item is that of growing the timber. Allowing only $10 per acre for the cost of land stocked with seedlings, the usual charges for taxes, protection, etc., and an interest rate of 4 per cent, it does not appear that timber averaging eighteen inches in diameter can be grown for less than the following stumpage prices per thousand feet:

Douglas fir	$ 6.00
Loblolly pine	10.00
White pine	20.00
Red oak and yellow poplar	20.00
Longleaf pine	30.00

And because of this condition the efforts which are made to bring about the possibility of permanently continuing lumber production and conserving the timber supply should be supported.

We need to enlarge our conception of what a public utility is. In the past few years, people's ideas have been broadening in regard

to public utilities. It has come to be pretty clearly seen that municipal enterprises like street railways, which are absolutely essential for transportation, and water supply that is absolutely necessary for drinking purposes, fire protection and sanitation, are undoubtedly public utilities, as are almost to an equal extent other things like lights and telephones. It is recognized that these things are public utilities, that is, public necessities, and that they must either be supplied by the public acting in its own corporate capacity, or they must be supplied by private capital properly restricted and controlled and operating in the interests of the public. These necessities are being supplied in these two ways all over the United States today. They are absolutely essential to the life and the health of the people. They are fundamental necessities. This conception has gone far enough so that courts and commissions state that when private enterprise engages in the supply of these public utilities such private enterprise is entitled to a reasonable profit for its undertaking. This reasonable profit and the right to earn it is being very generally conceded and accepted by public service commissions, by railroad commissions, and by the courts.

We can readily see that with this conception having been established regarding such utilities that an extension of the principle will soon be applied to the entire railroad rate situation in the United States.

WILL THE LUMBER BUSINESS BE CONSIDERED A PUBLIC UTILITY?

Now it seems to me that we are going to go a little further with that thing; I think that what we have got to do, if we are to get real conservation and real maintenance of our timber supply, is to apply that conception to the lumber business. We believe that history shows that timber has always been a necessity. Next perhaps to food, timber is of more general utility than any other commodity. We will continue to need timber; we cannot do without it. Logically then, the thing to do is to take necessary measures to get it.

So it seems to me that if we properly understand what public utilities are, we will include in them the forests, which are a public necessity. If this is so, then we have ample justification in asking for legislation which will permit the people who at the present time own these forests, or who may own them in the future, to manage them in such a way that they will not be wasted, and so that their fullest values in the shape of commodities for the use of the public

will be secured. This must largely be done by private effort, which must be assured a reasonable return upon the cost of production.

ECONOMIC CONDITIONS COMPEL WASTE

Thus it appears that we are led directly to the conclusion that Mr. Keith reached from another starting point. But in carrying these conclusions into effect we have got to work for such methods of conducting business that we shall not be compelled by economic conditions to waste what we do not want to waste, nor to destroy what the people need, but which will permit us to save those things that need to be saved, and to maintain the things that must be maintained. And it seems to me that an organization like this association is the organization of all organizations in the United States to start a campaign on such a line of public education. [Applause.]

MR. WHITE: I want to say to you very briefly that, as one of the lumbermen here today, I want to plead with the rest of you before the bar of public opinion as being guilty of being a "goat"—and a dead goat at that! Brother Kellogg has given us a good many specifications in the indictment; I do not know of anything that the lumbermen need now to do except that it might be appropriate to inquire the price of a coffin. [Laughter.]

PRESIDENT GRIGGS: As the Chair had charge of this program I thought I would deviate from it and introduce a little song and dance or something by way of relieving our minds; but as we cannot have the song and dance I will deviate just long enough to get you back to earth, and hear the Treasurer's report. Secretary Smith wishes to file it so that the Auditing Committee can discuss it. I will ask him now to read it. I may say that the Board has gone over this report in detail; but the Auditing Committee must have it in order to pass upon it.

Secretary Smith, in the absence of the Treasurer, Mr. J. A. Freeman, of Pasadena, Cal., read the Treasurer's report, as follows:

Treasurer's Report

INCOME.

	Year ending March 31, 1912.	*Year ending March 31, 1911.*
Assessments—Annual Dues	$23,698.43	$25,347.80
Honorary Memberships	600.00	1,800.00
Interest on Bank Balances	47.61	24.72
Miscellaneous Receipts	.....	5.20
Total Income	$24,346.04	$27,177.72

EXPENSES.

Salaries	$ 9,911.35	$10,283.49
Traveling Expenses	2,394.44	3,194.02
General Expenses	1,957.77	4,899.14
Rent	1,350.00	943.61
Annual Report	1,077.91	1,279.53
*Postage	293.39	.....
*Printing and Stationery	849.97	719.79
Exchange	19.30	18.62
Expense Meetings	505.40	.....
Saint Louis Office Expense	.....	336.06
Depreciation on Office Furniture	77.45	162.86
Statistical Department:		
Rent	220.00	
Salaries	1,039.25	
Postage	417.00	
Printing and Stationery	335.70	
Sundry Expense	21.95	
Total Expense	$20,470.88	$21,837.12
Net Income	$ 3,875.16	$ 5,340.60
Surplus at beginning of period	31,049.92	25,709.32
Surplus at end of period	$34,925.08	$31,049.92

*Previously kept in one account.

The Treasurer's report as above took the regular course and was referred to the Auditing Committee, Secretary Smith calling attention to certain comparisons as to its details made by the public accountants in their comparative statement of March 31, 1912.

DISTRIBUTION OF MR. KEITH'S PAPER

PRESIDENT GRIGGS: I will ask Secretary Smith to read the names of the men whom I would like to have make it a particular point to enforce the distribution of Mr. Keith's paper.

MR. C. D. JOHNSON, St. Louis, Mo.: I would like to offer an amendment in regard to the distribution of that paper. I think that a copy of that paper should be placed in the hands of every retail lumber dealer in the United States. I also think that a copy of that paper should be placed in the hands of every State Representative and State Senator, and every Governor, of all lumber producing States; that it should be distributed among the schools and colleges and freely and generally given a wide circulation. I doubt the value of sending it merely to Senators and Congressmen. I think it is a good paper and should have wide distribution. If the gentleman who made the original motion will consent I would like him to accept an amendment to that motion.

MR. WHITE: I accept the amendment.

PRESIDENT GRIGGS: Whether that is just the right way to get it before you I do not know; but I would like to have your ideas. Are there any remarks on the motion?

MR. BLODGETT: In regard to distributing that paper among the officials and

the legislatures of the various states, it has occurred to me that there is a rumor that there will be an election in this country this fall, so that the distribution at the present time might not reach those who will be our legislators a little later on. I would think so far as that is concerned that it had better be held in abeyance until our new officials are elected this fall, so far as the members of the legislatures and the governors are concerned.

PRESIDENT GRIGGS: Are you ready for the question? I think the method of working it out had probably better be left to the Board of Governors so that we will not step on each other's toes; but as I understand it, this is in order to get the sentiment of this house. Are you ready for the question?

MR. WHITE: I want to speak in favor of that motion. I believe that notwithstanding the election this fall, this is a mighty good time to send it right out. They have been making political capital out of us; and anybody that makes political capital through misrepresentation against the lumbermen and charges them with being in a lumber trust, I do not care what party he belongs to, for it comes from both and all parties, I think that they have no right to do that; for I believe conscientiously that such politicians cannot get elected this coming fall on the platform of prosecuting the lumber trust.

PRESIDENT GRIGGS: I would like to ask Mr. Keith if it is possible to get a sufficient number of copies of the paper in time?

MR. KEITH: In my mind, there is a question as to the advisability of sending that out to the state legislatures, and I am going to state the reason why, because I do not believe that any laws that are passed that are not uniform in all the states on the subject of our forests would be a good thing for the lumbermen, any more than I believe that the passage of employers' liability and workmen's compensation laws in any one state in which our industry is interested would be a good thing unless the same were uniform in all states where we are interested; for instance—I am going to refer now particularly to the coal industry—a law passed in the State of Missouri fixing certain conditions as to workmen's compensation. If it did not apply equally to Kansas, or Illinois, or Arkansas, or Iowa, it would be disadvantageous to the producer in Missouri as compared with producers in other states where they had no such law. Take this matter as to the State of Louisiana; if Louisiana wanted to be progressive, and they passed an act there which would enforce upon us some line of reforestation, or some practice of forestry, and Mississippi did not get that law, or Texas, or Arkansas, or Alabama, the producers of the State of Louisiana would be perhaps at a decided disadvantage as compared to the other states, or vice versa. Any action along this proposition should be national in character and scope, and I doubt very much whether it would be advisable to send this paper to the state legislatures.

PRESIDENT GRIGGS: I think it would be the part of wisdom to consult with Mr. Keith on this matter; and if there is no objection by the mover and the seconder of the motion, that may be done. I think we can discuss with him as to the advisability of that. Have you anything further to say about it, Captain White?

MR. WHITE: Nothing. If there is any good reason why the legislatures should be omitted, we can send it to the schools as a matter of education. People need to be educated. I know that a great many of the schools are anxious to get that kind of documents. I know that the schools are asking for them. I know

that thousands of pamphlets in regard to conservation have been sent to the schools that have asked for them; and this is very important as showing what it will cost to conserve, and as showing that there is no Trust, that we have to have an organization of some kind in order to practice conservation. I believe that it will be valuable as a book of reference, and I think that if it goes to the legislatures that there are lots of people there that would be glad of just this information, and that it might head off a whole lot of bad legislation.

MR. JOHNSON: For reasons which it is unnecessary to state, it might be advisable not to distribute that document so freely among the timber producing states, like Arkansas and Louisiana, Texas, Washington, Oregon, and possibly some other states; for instance, on account of taxes. It might have some effect on the taxes on timberlands.

PRESIDENT GRIGGS: Before we get into too much discussion on this, we might defer this until tomorrow, and I will report to the Board of Governors and discuss as to exactly what should be done with this report. That will obviate too much time being taken up now discussing it. Personally I think that we cannot get out too much information anyway. If that is agreeable, it will be so ordered, and we will continue the program. It is now 4:35.

In view of the fact that Mr. DeLaney has already spoken, we will now hear from the North Carolina Pine Association, Mr. Horton Corwin, Jr., of Edenton, North Carolina.

Co-operation

BY HORTON CORWIN, JR., OF EDENTON, N. C.

Mr. Chairman and Gentlemen: It was not my purpose to enter into or to try to deliver any extended remarks on the subject of "Co-operation." I find myself now suffering so much, my voice troubling me, that I will not be able to make an address, and I will ask the President if he will excuse me for only confining it to this short statement.

I came here with a double purpose. I have been very much benefited by my visit here. I wanted to become acquainted particularly with the affiliated associations and their officers—the associations working upon the same line, and that are affected by the same causes as our own association.

Going back for a year and a half, we were confronted with conditions that made it necessary for us to face about if we expected to accomplish anything in the work of the industry of our section. The anti-trust law had frightened our membership to such an extent that we had dwindled down until we had but very few members.

We immediately set to work and readjusted our association, working upon coöperation and upon an educational plan, through which we have regained our strength; and I think today that our little faithful

band of seventy-three is representative of a larger production than has heretofore been the case in the entire existence of the North Carolina Pine Association.

I expect that the same causes have affected the Yellow Pine association. I have not the figures to give you, but Mr. Keith has; but I can say to you this, that we have the figures; and I found that at that time, covering a period of sixteen years, we had suffered in our section depreciation from deterioration of our timber to the extent of $3 per thousand. I also found that we had conditions that needed adjustment, and I wanted to see such a spirit of coöperation existing between the members in the South so that delegates could be appointed from one association to the other, and that at the various meetings we could absorb the best features of each in the upbuilding and uplifting of an industry of so much importance, at least to the membership of the North Carolina Pine Association, which comprises the states of Virginia, North Carolina and South Carolina, representing in its membership about seven hundred and fifty million feet production; which was in exactly the condition as stated by Mr. Keith, that while he represents seven hundred and fifty million feet, the combined output of the three states is about two billion feet; so that we only have about 40 per cent of the production of the three states represented in our membership.

I am very sorry that my condition is such that I cannot speak longer. I have heard considerable about cost. I wish I had with me the figures of cost which would demonstrate that in sixteen years the manufacturers of our section, up to July 1 of last year, have been receiving for their product no more money, counting the additional cost of manufacture, advance in stumpage, and deterioration in acreage, than they were sixteen years ago.

PRESIDENT GRIGGS: We will next hear from the Michigan Hardwood Manufacturers' Association, Mr. Charles A. Bigelow, President, Bay City, Mich. Mr. Bruce Odell, Chairman of its Committee on Trade Relations, has prepared a paper on the subject of "Elements That Make a Successful Association." We will be very glad to hear from Mr. Bruce Odell.

Elements That Make a Successful Association

BY BRUCE ODELL, OF CADILLAC, MICH.

Mr. Chairman and Gentlemen: While it is the intent of this article to deal primarily with lumber association work, the same rules and principles that apply to lumber associations apply equally to all trade associations. The function of any and all trade associations is to be of benefit or render a valuable service to the association members individually and collectively and the success of any association is measured by the value of the service rendered to its members. This matter of service is the foundation, the very life of any association, and without some valuable service rendered no association can exist very long. It is sometimes difficult to say just what that service is and to measure the value of the service in dollars and cents. As a matter of fact, a service may be rendered that cannot be measured with a money standard of value and yet be of great value to the membership.

METHODS OF SECURING ASSOCIATION BENEFITS

Granted that valuable service is the object of all trade associations, the query naturally follows, by what means can that service be rendered? In my opinion the very best means is by giving information that the individual member may not have acquired or have the facilities for acquiring. You will all grant that the life of any manufacturer is far too short for him to obtain a thorough knowledge of his business from his own individual experience. Experience is a good teacher, but a mighty slow and expensive one, and if one depends on his own experience exclusively he many times has only failure from which to benefit. There should exist in every association, and does exist in every really successful association, a feeling of mutual benefit, a feeling in each member that makes him willing to give the other members the benefit of his knowledge and experience. This information may be along the line of improved economic methods of manufacture, better methods of marketing, information as to supply of stock and market demand and in hundreds of ways too numerous to mention. Part of this information may be furnished by the president, the secretary, or

some committee, but each individual member should be ready and willing to do his individual part.

MANUFACTURING ECONOMIES

Economic methods of manufacture would be difficult and possibly tiresome to discuss at this time, as this is one of the many elements about which the most valuable information is often obtained through the means of an exchange of individual experience, an exchange often times not made during the sessions of an association meeting or through any regularly appointed committee, but more often through the discussion among small gatherings of two, three, five or more members that you often see during association meetings. These talks may take place at luncheon, between sessions, or on the way to or from association meetings. The manufacturer is indeed a dull one who will attend many association meetings and return home without having received or imparted some useful information pertaining to a better or more economical method of manufacture.

IGNORANT OR CARELESS MARKETING

We must all admit, and do admit, that an article must be well manufactured and economically manufactured in order to yield the most profit, but it is equally true that an article may be well and economically made and yet yield little if any profit through ignorant or careless methods of marketing. I have made the statement, and can prove it by each and every manufacturer attending this meeting, that many manufacturers will study and work to the limit of their ability, they will pay large salaries to competent woods and mill superintendents, they will urge them to secure more and better work from the laborers under them, they will spend thousands of dollars, even hundreds of thousands of dollars for railroads, steam loaders, steam skidders, sawmills and improved machinery, to save a possible fifteen to fifty cents per thousand on their logging bills, ten to twenty-five cents per thousand on their sawing bills and possibly a few cents per thousand on their yarding and handling bills, and then deliberately sacrifice from one to five dollars per thousand in marketing their product without knowing that they have done so. Two, three, five or even ten thousand dollars may not seem to them, or may not be, too much to pay a manufacturing superintendent for looking after their business until it is just half done, which is to get their product ready to market, and then turn it

over to a sixty to seventy-five dollar a month clerk to finish, which is to sell it. Or he may take this duty upon himself as a sort of side line to which he devotes a few days of serious thought once or twice a year.

VALUE OF ASSOCIATION IN MARKETING PRODUCT

In this item of marketing his product the association can render a service to the manufacturer that he cannot perform himself, a service that he will not get from sixty to seventy-five dollar a month clerks, a service he cannot purchase even through the means of high salaried sales managers. This service need not be rendered by the association through any unlawful combination to limit production, an unlawful agreement as to prices or by any other unlawful means, but by supplying the manufacturer with information as to supply and demand and general market conditions, information that it is absolutely impossible for him to secure for himself, information that cannot be supplied through any other source.

Members of the Michigan Hardwood Manufacturers' Association take great pride in the fact that it is recognized as a successful association, that it is accredited with rendering much valuable service to its members, and I believe that if the members were asked to name the specific service that has been of most value to them they would without exception say that it was the accurate and reliable information as to supply and demand and general market condition of their product. It is essential that each individual member contribute his share to this fund of information and then that the information be put in the right form and proper deductions made so as to be readily understood by the manufacturer and act as a guide to him in manufacturing his own product, not through any combination or agreement, but through a positive knowledge of actual conditions.

ORGANIZATION AND PURPOSE OF ASSOCIATION

This association was organized six years ago in about the same manner and for about the same avowed purposes as most other associations, except that the organizers had one particular definite idea in mind. The Michigan Hardwood Manufacturers saw their supply of Michigan hard maple timber diminishing rapidly and the maple lumber selling at ridiculously low prices, and many of them thought that the market was being manipulated to their disadvantage and loss. With this idea uppermost in their minds they immediately put forth efforts

to get definite, accurate and reliable information as to the amount produced, how the supply compared with the demand, the amount of stock on hand, the amount sold and the amount unsold. While it was expected that this information would come through the organization, it must of necessity come primarily from the individual manufacturer.

STATISTICAL INFORMATION SECURED

Blank forms were immediately sent to practically every manufacturer in Michigan with a request to make prompt and accurate reports and a very thorough explanation as to the object to be attained. Reports were obtained from nearly all of the manufacturers, giving all the information in detail, not only as to maple but all of the other northern hardwoods, also. These reports were carefully compiled and sent to each manufacturer reporting. The information given appealed to the manufacturer so strongly that it was the means of securing many members that we had not been able to reach by any other method. It gave the manufacturer information he had never had before, information he could not secure of himself alone, information he could obtain through no other source than the association.

This first report was gotten out in July and another in October, 1906. By January 1, 1907, we had gotten a more definite idea as to just what form of report would give us the most useful information, and when the January report came out it was eagerly sought not only by the manufacturer but by the wholesaler, the jobber, the retailer and the consuming manufacturer also, all of whom were supplied with the quarterly reports long enough for them to be convinced that the information was absolutely accurate and reliable.

A quotation from the Secretary's report at the January, 1907, meeting of the association will give you some idea of the scope of the report. I quote as follows:

"Enclosed herewith you will find the first annual stock report of the Michigan Hardwood Manufacturers' Association, or perhaps it would be more correct to call it the first end of the year report, as it does not show a full year, owing to the fact that our association was not organized until July 13, 1906. In many respects, however, it is an annual report and one that contains information that will be of benefit to the manufacturer, the wholesaler, the jobber, and the consumer.

"You will find on a careful study of the report that it contains more complete and accurate information in regard to the hardwood situation

in Michigan than any other report yet furnished the manufacturer. More complete because it probably represents 80 to 85 per cent of all the hardwood lumber cut in Michigan, shows the amount of each kind of hardwood cut during the year 1906, the amount of stock on hand January 1, 1907, the amount of unfilled orders for 1906 stock, and the amount of the 1906 cut remaining at the mill unsold; also the amount of orders booked January 1, 1907, to be furnished from stock to be cut during the year 1907. You will note in the report of the amount of stock on hand and unfilled orders that it shows the different sizes and grades of each kind of hardwood, information that probably no other general report has contained.

"It is more accurate because it was made at the end of the year when every manufacturer had a complete inventory of his stock and could furnish actual figures instead of estimates. Probably more accurate than any other general report for the further reason that it is a report in which every manufacturer reporting feels that he has a personal interest."

PERSONAL INTEREST LARGELY RESPONSIBLE FOR SUCCESS

That feeling of personal interest and that he is an individual part of the association has contributed no small part to our success. As evidence of that feeling I cite the fact that most of our quarterly stock reports contain complete reports from every member of the association and that it is very seldom that more than one or two reports are missing. As evidence of the careful accuracy of the reports, the annual estimate of January 1, showing the estimated amount to be cut during the succeeding year, seldom varies more than 5 per cent from the amount actually cut, and sometimes the actual cut is within 1 or 2 per cent of the estimated cut. Stock reports, be they ever so accurate, often mean but little unless we have something by which to compare them. For this reason the older our association grows the more valuable are its stock reports. Take for instance, extracts from the January, 1912, report of our Market Conditions Committee in regard to No. 3 common northern hardwood among members of our association. I quote as follows:

"A comparison of the total stock of No. 3 common hardwood on hand is as follows:

January 1, 1909, fifty millions.

January 1, 1910, seventy-four millions.

January 1, 1911, seventy-two millions.

January 1, 1913, forty-four millions, the smallest stock since 1908, and a comparison of the amount of stock unsold shows even more pronounced differences, the total amount of unsold stock for the different years being as follows:

"For January 1, 1908, twenty-one millions; 1909, thirty millions; 1910, forty-three millions; 1911, forty-two millions; 1912, seventeen millions, the smallest stock of No. 3 common remaining in the hands of manufacturers unsold in the history of the industry except in the year 1907, a year that none of us expect to see repeated."

With the subject shown up in this way by facts and figures in which every member has the fullest confidence, is it necessary to form any combination in restraint of trade or even tell the manufacturer that he can get better prices for his No. 3 common hardwood? The wholesaler and consumer may make the statement that the woods are full of it and that they can get all they want at the same old price, but if the manufacturer has full confidence in the accuracy of the association reports, how much is he influenced by the statements of the wholesaler and consumer? As a matter of fact, many of the wholesalers and consumers have as much confidence in our reports as we have ourselves.

Having these stock reports and Market Conditions Committee reports as a nucleus from which to work, our association has reached out for the other things that may in any way prove of value to its members, covering hemlock lumber, hemlock bark, rules for grading hemlock, uniform sales customs, recommendations to the National Grading Association of desired changes in the rules for grading northern hardwoods, the organization of a Forest Fire Protective Association, and many other details too numerous to mention. Our efforts always have been along the line of education and information and to get the members to report and attend meetings.

BENEFIT DERIVED FROM ASSOCIATION MEETINGS

The matter of attendance is an important and necessary one, as no member can secure the full benefit of an association without attending the meetings and taking an active part in them. You may have an able President, an efficient Secretary and good committees, but the real work of an association must be done by the individual members. The Secretary may render a very complete detailed report of the meeting, but there is a something, call it spirit or what you will, in

association work that no Secretary can catch and report and the member who stays at home misses all of this. In fact, a member will secure benefit from association work just in proportion to the part he takes in the work and the service he renders the association. It is a well known fact that the bulk of association work nearly always falls to the lot of a few earnest workers, but they seldom complain for the reason that the extra work they do gives them an insight into the general workings of the association and they derive a benefit that the "stay-at-homers" can never attain. You will nearly always find the "knockers" among the members who seldom attend meetings.

There should be a sort of unwritten law in all associations, "Boost if you can, but if you can't boost, don't knock." There really is no room for a knocker in any association, he belongs on the outside, and the sooner you get him there the better it is for your association.

ASSOCIATION EFFORT SHOULD BE CONCENTRATED

If I were asked to criticise most associations, I should criticise along the line of undertaking too much, getting too many irons in the fire, dropping things unfinished and having too many loose ends to gather in. These things are just as undesirable from an association standpoint as from the standpoint of an individual business.

It is necessary of course to have a good executive at the head of an association as President. He should not be selected from the standpoint of his personal popularity, the size of his purse, the magnitude of his business, because he is next in his line, because of a desire to convey an honor upon him or for any reason other than his qualifications to make him a successful head or leader for your association.

A paid Secretary is necessary, one selected for his ability to do the detail work, one with some initiative, if he can be secured, and it should be his duty to gather all the information possible that may in any way be of service or benefit to the association. This information should then be compiled and condensed in a comprehensive manner for the use of the officers and committees. I do not think he should make deductions or draw conclusions from this information, as that is the function of the committees selected for that especial purpose and for that reason they probably are better qualified to do so.

Members of the different committees should be selected with a view to their qualifications along the line of work on which they are

to report, men who are earnest, persistent, consistent workers, men of good judgment whom you know are finishers. Committees should meet long enough in advance of the association meetings so as to have time to study their subjects thoroughly and deliberately and then report the same in a forceful intelligent manner to the association.

Be not hasty in criticising or amending the reports of the committees, as they should have had more complete information and should have been more deliberate in reaching a conclusion for their report than it is possible for you in the course of the meeting. Most association work should be done through the different committees, as, according to the old saying, "Large bodies move slowly," to which should be added, "and seldom accomplish much." So many times in a meeting of a large number of members the discussion is so long drawn out that everyone becomes weary and impatient and finally adopt something to bring the discussion to an end and in this way often commit the whole membership to some fool thing that not one of them would favor after a careful, deliberate study of the subject, such as would ordinarily be given it by the committee appointed for that purpose.

INTEREST SHOULD NOT BE TOO DIVERSIFIED

The membership of an association should not be so numerous, or the territory of interest so large as to make the association cumbersome or the interests too diversified. Nor should the membership be so few or the territory of interest so small as to make the expense burdensome to the membership or the unit of interest too small. A lumber association should cover a territory of considerable magnitude, if possible to do so, and have each member producing about the same kinds of lumber so as to have a membership of practically identical interests. If organized in this way whatever is of interest or benefit to any one member is of equal interest or benefit to each and all of the other members and insures harmonious work.

In conclusion, I can say that successful association work must be conducted along the same lines as a successful business. It must be fair, honest, earnest, industrious and resourceful in efforts to improve methods and conditions. [Applause.]

PRESIDENT GRIGGS: Mr. Bigelow said that this man was a "crackerjack" and I want to say that he lives up to his reputation. You have certainly given us a paper that does you credit.

We are pretty nearly on schedule time and it will not take long

to hear the last address, with which we will be favored by Mr. J. B. Conrad, of Glenwood, Fla., President of the Georgia-Florida Saw Mill Association. Mr. Conrad, we will be glad to hear from you.

MR. J. B. CONRAD, Glenwood, Fla.: Mr. Chairman and Gentlemen: We had expected one of our representatives to present to you here a report today. There are none of the rest of us that had any expectation of appearing here to address you, and therefore we are unprepared. Our association is entirely of yellow pine people. I presume that most of you know the conditions under which we have labored this year with water. The output of our association membership is about 170,000,000 feet less than it was a year ago. The rains still continue. I hope you will excuse me from any further report, as I did not expect to make one. I thank you all for your attention.

No further business offering at this time, the Convention adjourned until 9:30 a. m., Wednesday, May 8.

THIRD SESSION

Wednesday Forenoon, May 8, 1912

The Convention met pursuant to adjournment, President Griggs in the chair.

PRESIDENT GRIGGS: At the meeting of the Board of Governors this morning it was decided that we would endeavor to carry the proceedings of this session through to completion before 1:30 p. m., rather than to adjourn for an afternoon session, the Board feeling the necessity of holding an executive session this afternoon, and on their part believing that it would be the better way to complete the proceedings at this session.

I am going to call on the President of the Yellow Pine Manufacturers' Association, Mr. Samuel J. Carpenter, of Winnfield, La., to address us on the subject of "Adverse Conditions Affecting the Lumber Industry."

Adverse Conditions Affecting the Lumber Industry

BY SAMUEL J. CARPENTER, WINNFIELD, LA.

The student of adverse conditions affecting the lumber industry at the present time soon realizes that many of the vicissitudes through which we have passed in recent years have been largely on account of the lack of collective coöperation on the part of the producers and sellers of lumber.

We protest vigorously against vicious legislation, against competition from substitutes for wood, and other influences beyond our control, and we sit supinely by, undertaking to satisfy ourselves and our stockholders with the thought that we are conducting our business with ability and efficiency, buoyed up by the hope that at some future time, possibly after 30 per cent to 40 per cent of the present standing timber has been exhausted, we will be able to realize enough for our product to overcome present losses and justify our investment. This view of the situation, however, does not satisfy all.

NECESSITY OF CO-OPERATION

An increasing number of harmful practices in methods and ethics and many known evils are allowed to exist and multiply because there is not united, coöperative attention given them, and collectively they

greatly reduce the price the lumber manufacturer must receive for his product in order to pay his workmen living wages and to return to his shareholders interest on capital invested.

Coöperation can only be forged into an effective force through some duly organized body with the necessary mechanism for getting results.

Speaking of the Yellow Pine industry, with which I am somewhat familiar, of 679 large manufacturers of yellow pine lumber in the South, only 259 are members of the Yellow Pine Manufacturers' Association. And only 106 mills are represented in the membership of the Southern Lumber Operators' Association; cypress and hardwood manufacturers being eligible, as well as yellow pine.

A SPECIFIC OBJECT LESSON

In spite of the lack of coöperation by a majority of the southern mills, the Operators' association have during the past twelve months, given an object lesson in the efficacy of coöperation that should instigate serious thought. It has been said by a gentleman of large experience that its achievements are without parallel in industrial history. A great service has been performed and the work is still being carried on, and never before has such a contribution of valuable time been called for and freely given.

It would have been impossible to have secured results by individual efforts. If this association ultimately fails to accomplish all of its purposes, it will not be on account of lack of harmonious coöperation on the part of its members, but will be because its membership does not include all manufacturers of southern lumber.

EVILS ARE OF NATIONAL SCOPE

I bespeak for this association the serious consideration of all southern millmen. The evils that threaten our industry from an operating standpoint are not local in their character. If they are not firmly met and discouraged at their inception, they would soon, with gathering strength and momentum, involve the entire producing territory and create a condition that would be intolerable, and result in destroying the integrity of the industry.

Any mill owner or any board of directors who allow their executive officers to withhold support and coöperation from the South-

ern Lumber Operators' Association are doing the industry, themselves, their employees and capital invested with them an irreparable injury.

In selling lumber also we are drifting into unbusinesslike methods; each individual distributer fully realizes that certain methods are wrong, but continues because others do it. I refer to terms of payment, special milling of lumber without the cost added, etc., with which you are all familiar.

There may have been temporary advantages in securing orders to the one who inaugurated this custom, but it is of short duration, as his competitors will sell their lumber eventually, even meeting these conditions, if necessary, and the result is that all lumber is marketed on a lower basis.

MANUFACTURERS UNABLE TO SHOW PROFIT ON INVESTMENT

The manufacturer of yellow pine lumber in the South has not been able, in recent years, under a correct system of accounting, to show a profit on his investment. Various explanations are made for this condition. The opinion most frequently heard is that the politicians who have been making our laws, state and national, in their zeal to curb the trust and destroy monopoly, have repealed the necessary laws of trade, and forced the lumber manufacturer into destructive competition.

Several bills have been filed with the Senate Committee on Interstate Commerce seeking to create an Interstate Trade Commission. All trade agreements affecting prices and output are to be filed with this Commission, who would render an opinion, in advance of action, as to whether or not the trade agreement submitted by reason of its character and tendency restrained competition so much or in such a manner as to constitute restraint of trade. It is thought that this idea, in some form, would be enacted into law.

It is a conceded fact by students of economics and forestry that the interest of the people as a whole, as well as those who will live after us, would be best conserved by utilizing the present timber supply to the fullest extent, which would mean that the present generation should not be allowed to sever from the soil only a sufficient amount of timber to supply the existing demand, and should be compelled to manufacture into lumber all parts of the tree, for which uses can be found. In order to do this, they must be able to realize enough for the low grade lumber to pay the cost of production.

At the present time manufacturers are leaving in the woods to rot

or to be consumed by fire, two or three thousand feet of logs on every acre of ground cut over that would make lumber that could be utilized for many purposes, but cannot be manufactured and marketed except at a loss at prevailing prices. It is not an economic waste to abandon raw material that can only be manufactured into a useful article at a financial loss.

The theory that the timber supply of the United States will be conserved by opening the markets to competition with free lumber from Canada is a fallacy. Low grade lumber moving by water can be put in our lake ports on a very low freight rate.

The yellow pine manufacturer cannot pay the railroad companies $6.00 to $7.00 per thousand feet for transportation on his low grade lumber and meet this competition; consequently, as he has no market for his low grade lumber at a price equal to the cost of producing it, he is compelled to leave in the woods a part of every tree.

Every existing saw mill operation cuts over a given area of timber land every year to secure its log supply. By reason of his having no remunerative market for his low grade lumber the manufacturer can only utilize the choice logs from the tree, leaving in the woods to be destroyed the top logs and all those showing serious defect, and consequently, in order to supply his mill with logs, must cut over a larger area every year than he would if all the tree could be profitably used. This condition is the most serious blow conservation has received.

INTERSTATE TRADE COMMISSION PROPOSED

It is to be taken for granted that a Trade Commission, created for the purpose of passing on trade agreements as to prices and output, would look with favor on an agreement between manufacturers of lumber to restrict the output of lumber to the actual needs of the country, and to leave standing in the tree any surplus rather than to have such surplus cut into lumber and rot in the pile.

It would also undoubtedly favor a trade agreement establishing values for lumber that would enable the manufacturer to market low grade lumber. In no other way can conservation of our timber supply be practiced. If given the right to make a trade agreement as to prices and output, would the lumber manufacturers voluntarily and in good faith make and keep such agreements? Past experience would indicate that they would not.

The woeful lack of coöperation among the manufacturers of

lumber is the most discouraging factor in forecasting betterment of conditions. It is a regrettable fact that comparatively only a small percentage of those engaged in the industry are active members of the various lumber associations. Some of the greatest minds and most able men, for one reason or another, are not affiliated and they are so sadly needed.

None of the reasons I have heard for this lack of coöperation are, from my point of view, convincing. If the association has faults, and is not producing desired results, it should be corrected, and it seems to me that the right course to pursue would be to become identified and take part in conducting its affairs along lines of coöperative constructive accomplishment. It is true that on account of existing laws, the activities of the association are necessarily limited, but it does perform many useful functions, and it is only the lack of coöperation of all manufacturers that it does not attain its full measure of usefulness to the industry.

All of the trouble we have had in the past and are experiencing at the present time is not entirely the result of prohibitory laws against trade agreements as to output and prices.

The creation of an Interstate Trade Commission, or some such body, and the willingness of it to approve all such trade agreements as to output and prices as would be for the best interest of all of the people would not, of itself, be a panacea for the blight that has fallen on the lumber industry, and would avail naught except insofar as the lumber manufacturers by collective coöperation took advantage of this privilege, and it is not at all unreasonable to fear that the lumber manufacturers would not voluntarily enter into such an agreement and faithfully adhere to its provisions if they could lawfully do so. One is forced to this conclusion not only by a study of the history of the lumber business, but also by an examination of the present conditions.

STANDARD SIZES AND UNIFORM GRADES ARE NECESSARY

Every manufacturer of lumber, I venture to say, recognizes the absolute necessity of establishing and maintaining standard sizes and uniform grades. In no other way can large volumes of lumber be marketed. It would be impossible to think of returning to the chaotic condition that obtained prior to the organization of the White Pine Manufacturers' Association, and the creation of a bureau of uniform

grades and standard sizes. Before this time, as many of you will remember, the nomenclature describing different classes of lumber had no real meaning, and the intrinsic value of a given class of lumber varied at each producing point.

It was customary for the lumber buyer to visit the producing market to make his purchases, and to personally inspect the grades of lumber established by each mill, and the lowest price quoted for a given grade did not always indicate the best value. The consuming market was much nearer the source of supply at that time, but as the producing territory is farther removed now, it increases the benefit of established standard sizes and uniform grades to both buyer and seller.

Practically all sales of yellow pine lumber are made on the basis of sizes and grades established and maintained by the Yellow Pine Manufacturers' Association, and all disputes are settled on this basis, and the buyer has no need to give thought to the quality of the lumber in considering prices, as he knows he will get from any association mill as near the same grade as it is possible for different men, working under the same instructions, to make it. This work can only be carried on by an association.

OPERATION OF GRADING AND INSPECTION BUREAU

It is necessary, from time to time, to change the grading rules to meet changing conditions, and as new uses for lumber are found, as for instance silo stock, wood paving blocks, etc., it is necessary to establish standard sizes and specifications covering the various grades. The association is performing this duty as occasion requires.

The Yellow Pine Manufacturers' Association has a large force of trained inspectors, directed by a chief inspector, visiting the mills, educating the graders, and seeing to it that a uniform standard is maintanied. The Yellow Pine Manufacturers' Association expends about $35,000 per year for this service, and it is worth it.

FEW BEAR THE EXPENSE—ALL SHARE THE BENEFITS

Yet this expense, the benefits of which all manufacturers of yellow pine share, is borne by the members of the Yellow Pine Manufacturers' Association alone. Not one of the non-contributing manufacturers would like to see this bureau abolished. They would rightly consider it a great calamity, but are apparently perfectly willing to allow

their neighbors to spend the necessary time and money to provide this facility for them.

In this connection there is another serious side of this question. As stated before, practically all yellow pine lumber is sold on association grades. The manufacturer who does not belong to the association uses the association gauges for sizes and its rules for inspection and undertakes to have his head grader competent to maintain association grades; but, by reason of not having a regular review of his stock by a trained association inspector at regular intervals, who is constantly visiting and inspecting his competitors' stock, and whose business it is to point out errors either of manufacture or grading, or by reason of frequent changes in employees, his grades, in time, lack uniformity, and the experience of the association has been that these stocks are very apt to average better than association grades. They can not be below grades without bringing complaint from the buyer, while the buyer would not be likely to complain if he received a little better grades than he expected.

The manufacturer who does not belong to the association, but feels confident that he is correctly grading his lumber because it seems to please his customers is in a very dangerous position, and may be giving away every year thousands of dollars in furnishing better lumber than he gets paid for, and it would be money well expended to pay association dues and have the benefit of disinterested expert inspection from time to time.

While this may seem to be only a matter in which the shipper of lumber above grade is interested, and that if he chooses to give away something and not receive pay for it, the loss is from his own pocket, such is not the case. It affects every manufacturer and shipper of lumber, and even the intelligent retail dealer knows that he is not really benefited by receiving an occasional car of lumber better than grade. He would rather have a uniform grade at all times. He cannot satisfy his trade if, after having sold lumber for a specific purpose that is of a better quality than it should have been for the price received, he fills the next requisition for the same material with regular stock.

Thus we see that the lumber manufacturer who is not affiliated with the association and contributing his pro rata of the expense is not only getting a free ride but he is dragging his feet.

I wish to call attention of the members of the association to the fact that possibly they have not derived as much profit from their investment in association dues as they would have had they carefully studied the information sent out by the Secretary. The association prepares a lot of valuable reports and statistics. Its members are accurately informed of conditions affecting our industry. We are told the ratio of cut to shipments for any given month; comparative statement of stocks in the hands of manufacturers and other information of like nature that, if acted upon, would be a large factor in determining values. It requires an expensive organization to collect this information.

You are paying for same in the form of association dues, and it would seem to be good business to utilize this information to the fullest extent to the end that your expenditure for association dues may pay dividends. Such information should be scrutinized as carefully as your balance sheet, for that is precisely the place where it will ultimately be recorded.

Keep constantly in mind that success is only a synonym for "being prepared," and that anticipating conditions is merely ascertaining what seed is now being sown. [Applause.]

PRESIDENT GRIGGS: I have a telegram of regret from Mr. Robert H. Downman, who was to represent Mr. Frederic Wilbert, president of the Southern Cypress Manufacturers' Association, Plaquemine, La., stating that he will be unable to be present. Is there any one else here that will talk for him?

MR. GERRANS: Mr. President, Mr. Wilbert, our president, was unable to come to Cincinnati on account of his business interests, both lumber and sugar, being directly in the path of the levee. Mr. Downman had intended to come up, but reports of danger to the levee which would entirely flood all of his six mills, made him hesitate to leave, so he asked me to read this short message to you.

Southern Cypress Manufacturers' Association

BY ROBERT H. DOWNMAN, OF NEW ORLEANS, LA.

It would have been proper for President Wilbert, of the Cypress association, to address you on this occasion, but other engagements prevented his attendance at this meeting.

There is very little for me to say concerning either the Cypress association or the cypress business. The association has been moving along, endeavoring to accomplish what it was intended it should accomplish, and we believe it has been doing some good for itself. The cy-

press business during the past year has not been anywhere near as satisfactory as we could have wished it, but it is my belief that conditions have been as satisfactory as with other woods. We have had to contend with a gradually increasing production, meaning that in order to hold our own the market had to be widened in proportion, and it is in the effort to accomplish this end that our association has busied itself. All in all, we are not satisfied with either the volume of our business or the prices we have obtained, but we have decided hopes for the future.

We cypress manufacturers believe in the National Lumber Manufacturers' Association and in the good it can accomplish. We believe in the National advertising proposition, which has been so thoroughly discussed this past year as to make it obvious, even to the blind, that wood, as a single commodity, needs infinitely more exploitation than it has thus far received.

We believe the National association should begin a more definite campaign to bring about a national standard of thicknesses, patterns and sizes for dressed or worked stock. The surfaced thicknesses of lumber should be universally uniform, and it is possible for this association to bring about one standard. We have little faith in the ability of this association to bring about even the semblance of uniformity in grades or grade names, but a standardization of worked thicknesses can be accomplished.

We believe that the future of the National association devolves entirely upon the work it does for the benefit of the whole lumber fraternity. There is a field for its existence, and the cypress manufacturers are anxious to see it take up and push to a conclusion those propositions for the good of the whole which are before this meeting.

PRESIDENT GRIGGS: Next on the program is a report from the Western Pine Manufacturers' Association, Mr. Ray M. Hart, President, Coeur d'Alene, Ida. I understand he is not present. He is, however, represented by Mr. Cooper, Secretary of the association.

Western Pine Manufacturers' Association

BY A. W. COOPER, OF SPOKANE, WASH.

Mr. President and Gentlemen: Mr. Laird of our association was to have been here today, and I believe that he had prepared a paper; but unfortunately he was detained at the last moment and could neither get here nor get the paper here in time.

The prosperity which has seemed to prevail among the other districts does not appear to have reached us to any extent yet, but probably it is for that reason that we are a little bit anxious. We feel that the great danger now is that the experience of the past will be repeated, and, carried away with this prosperity, that there will be the same old story of over-production. We have been suffering a little bit from that ourselves. In 1910 our territory manufactured about 1,450,000,000 feet. In 1911, through the curtailment of the larger mills and the closing down of our smaller mills, we curtailed to the extent of 350,000,000 feet. In spite of that fact we piled up 150,000,000 feet of stock during 1911. The first three months of this year we reduced that surplus by one hundred million feet.

We, in our country, feel that we can derive a great deal of good from this National association, particularly in the line of being posted on national affairs; and we want to express our strong approval of the step that the National is taking to gather statistics of national stock, for we believe that with the compilation of such statistics and their wise use by the millmen of the country it will provide the best check at present possible on over-production, and in the securing of a proper value for our product. We would like very much to see that enlarged.

We also believe that the National association can accomplish much for us by keeping us in closer touch with national legislation and the matters that affect us, either directly or indirectly, that are constantly coming up. I might instance as an illustration of this the necessity for better banking laws and a better currency system. That is affecting us now, because we have gone into the export business, and we find that we cannot carry on a large trade with foreign countries, particularly South America, owing to our present banking system and banking laws.

We also believe that the National association should stand back of every effort that is made for securing an American merchant marine; and we would be very glad to do our part toward the accomplishment of any of these things. [Applause.]

PRESIDENT GRIGGS: I will ask Vice-President Conrad to take the chair while I respond in behalf of the West Coast Lumber Manufacturers' Association.

Vice-President Conrad thereupon took the chair temporarily.

West Coast Lumber Manufacturers' Association

BY EVERETT G. GRIGGS, OF TACOMA, WASH.

I have had the opportunity of addressing the convention on so many different occasions that I do not want to take up very much of your time talking about the West Coast association.

I think one of the results of my coming here will be that immediately on my return, and after going over Mr. Keith's paper, we will chalk up our stumpage about $2.00 per M, because we think that is going to be the effect of the Panama Canal, according to the results that he predicts.

No matter to what extent any of us have been conducting operations in association work, we pick up pointers in a meeting of this kind from the papers that are submitted by men who have had more experience than any of us individually, and which are of great benefit to the association that I represent.

WIDEST PUBLICITY

I feel that the widest publicity should be given to our proceedings in a meeting such as this and to the papers that have been presented. I know from my own experience that I have always read with a great deal of interest the proceedings of this National association meetings, and that the experiences of other associations have always greatly benefited our own.

We have been laboring for about ten years to become one organization on the Coast. We are producing the same woods in the two states of Washington and Oregon, and we finally launched the West Coast Lumber Manufacturers' Association in August last, and have absorbed the Pacific Coast association, the Southwestern Washington association, and the Oregon and Washington association; all, of course, producing the same kinds of woods, the Douglas Fir being the main consideration of all those associations, although we handle cedar, spruce and shingles. The accomplishments of the West Coast association simply reflect the accomplishments of the previous associations that we

had. I have been identified with the Pacific Coast association ever since its organization, and the story of our work is simply a story of that association.

VALUE OF INSPECTION BUREAUS

We have accomplished a great deal in inspection bureaus. I think the inspection certificate that we have established through the Pacific Lumber Inspection Bureau is as good as a Hunt certificate on a rail, or any other iron commodity. It stands for integrity. We had to overcome a great many difficulties such as any association has to confront, because the larger manufacturers who have been in the business twenty-five, thirty or forty years, many of them felt that the inspection was not going to benefit them, but would benefit many smaller mills who would finally work up competitive conditions. That has not been the result, but rather the contrary. Orders from outside increased because it was known that they would give just exactly what was ordered. Some of them felt that they did not care to go into the inspection bureau; but the final result has been that more inquiries have come to the Coast than ever would have been the case if we had not had this Inspection Bureau that guarantees every stick of lumber that leaves the Coast. That has been the result of the association work. It could not possibly have been brought about by individuals.

It is submitted on the basis of 2½ cents per M of the lumber inspected. It is operated by a separate corporation, and has money in the treasury. We have finally, by combining with the Oregon association this year in their inspection Bureau, taken over the tally men and inspectors, and hired them directly in this Inspection Bureau. The bill for that of course is charged to the mills that ask for the inspection. It makes it an independent organization. We do not give in that Inspection Bureau any representation to the buyers or the Commission men. The integrity of the Bureau is absolutely established, and it gives the manufacturers who have money invested in the business and desire it, clean, fair grades, that start at the point of shipment. They started out determined on that policy. It was believed by some five years ago that that organization could never be made a success until we gave representation in that Bureau to the Commission men, for instance, in San Francisco, that handle a large amount of business, or to the buyers, but we have finally established it, largely because you cannot get lumber in any other way, and because we have made it so fair that we almost stand backwards on the proposition rather than to go the other way.

We stand so straight that we have got a reputation throughout the world on that inspection. That is simply another evidence to my mind of the best kind of association work.

WORK OF INSURANCE ORGANIZATIONS

We have done the same thing in connection with our insurance matters. I think that we have accomplished a great deal on the Pacific Coast in the organization of the Inter-insurance organization, which is now handling about $9,000,000 of insurance, and is only taking into its membership mills that will follow out certain lines of improvements. Each individual member of the inter-insurance Company is willing to take a one thousand dollar risk if the management decides to carry that much insurance. Of course, that is never the case, because with 150 mills we do not carry that much insurance on any one risk; but we have reduced our rates. We had only nine manufacturers in the first place, and we now have 130, with a surplus in the treasury. It is run by the manufacturers.

I mention these things because they are identified in an indirect way with the association which we organized some eleven or twelve years ago. The other matters referred to so ably by the other men who have spoken before me are followed out in our association work, such as standard grades and standards of manufacture, etc.

We think we have an organization today representing these different districts that will continue to grow. We have a Business Manager. We have assumed some considerable expense, and have a budget of about $35,000 or $36,000 this year, based on a 1½-cent assessment.

We have had some strike troubles to contend with on the Coast, and labor conditions were such that many of our delegates felt that they could not get away to come to this convention. But you are all familiar with so many of the men out there that you know that their hearts are with this organization.

DIFFERENT DISTRICTS REPRESENTED ON BOARD OF TRUSTEES

We have another system in our West Coast association which I think has proved wise, in the establishment of different districts represented on the Board of Directors, and general monthly meetings are held; if any member of the Board cannot possibly be there at the meeting he must designate some one individual from that district to attend. This plan has given us a very accurate conception of business conditions

in each district this year. These men are paid a per diem to come to the Board Meetings and their traveling expenses.

Now a great many men feel that association work is simply an opportunity to certain men to hunt office and assume burdens that are a delight. I do not think that is the case. In my association work I would be very glad to get rid of a great deal of the detail of the work; but I have felt in the interests that I represent that those interests are repaid a great deal more in this work than in any other way in which I operate. I think that has proven to be the case.

I think some of my stockholders feel sometimes that the devotion to outside association interests is a little too much, that there is a lot of detail work connected with association matters by a man who has his own business to be responsible for; but I think that where we coöperate on lines such as any one of these associations assume, and particularly where we coöperate in an organization such as this, that it is an indirect benefit and is going to be a great help, and if carried out on the right lines that no stockholders, no business men who have timber interests, no citizenship of the United States can go back on it. I know that that has been the effect on the Coast.

CONFIDENCE IS EVIDENCED

I feel that we have confidence in the Board of Directors in the producing districts. I know that whenever we need money, whenever we need to undertake any work in the way of legislation in our states, the compensation act, for instance, we get results. The latter was a definite work started by our organization and framed up, you might say, with the idea of posting the legislature. We were not afraid to go in a body of thirty-five or forty men, representing the producing districts of the entire state, to our capital, Olympia, to attend a night session of the legislature, the result of which was the enactment of a law which is of great benefit to the state. As Mr. Keith says, the matters of compensation, of fire loss, of taxation, and all of those things, have got to be studied in each state, the particular conditions that confront every association and every manufacturer. One objection that I have had to some of the government talk is that they do not go out and study the exact situation in the producing districts, which is very important. I feel that I voice the sentiment of a pretty strong producing district when I say, when I come on here as their repre-

sentative, they are willing to back me up, and that can only be done by having coöperation of the business men of a district. [Applause.]

President Griggs resumed the chair.

PRESIDENT GRIGGS: Mr. George X. Wendling, another Pacific Coast man, has just wired that he could not possibly get here, but he has prepared a paper on the subject "Workmen's Compensation and Employers' Liability." Mr. Wendling, I will say, is a member of the Board and is President of the Pacific Coast Sugar & White Pine Manufacturers' Association, as a representative of which he attended our last Board meeting. You are probably all acquainted with him. His paper will be read in his absence by Mr. George K. Smith.

Workmen's Compensation and Employers' Liability

BY GEORGE X. WENDLING, OF SAN FRANCISCO, CAL.

All thoughtful men, especially employers, who have kept pace with the trend of events in the last forty years, during which time the growth of labor saving machinery has made wonderful strides, have observed the growing danger to workmen in this development, resulting in the ever increasing speed of machines of all kinds in an effort to reduce cost, to the end that competition, the fiercest in this age the world has ever known, may be met. Hence the growth of speed has naturally multiplied accidents, because the workmen in a large percentage are unable to handle themselves with sufficient dexterity while at work to avoid accidents. It may be interesting to your readers to know that, for this very reason, the employers of men on a large scale, such as the American railways, conduct highly scientific investigations as to the hearing, sight, general soundness, health and fitness of their employees for the work they are to perform, in an effort to minimize danger to life and property, it being recognized that with maturing years the workmen become less and less efficient, the larger percentage of accidents in similar occupations occurring among the older workmen in places where rapid movement and action are necessary to avoid accident.

THE PRINCIPLE OF NEEDFUL RELIEF BECOMES MANIFEST

These general principles are well understood by the employers in all civilized countries, and none are more concerned as to a proper

remedy for honest, prompt and uniform relief to the injured workmen and those depending upon him for support, than are the employers. What the most practical remedy is and how it should be applied to render the injured proper relief—provide for the widow during the period of her widowhood, and the children up to a reasonable age, is the object of this article.

The German government, with twenty-five years of experience, has established the age of sixteen years as the proper age to terminate pensional aid to children in order to avoid the development of sluggards, from the fact that to pension youth to its full maturity is detrimental to character building.

THE ORIGIN OF WORKMEN'S COMPENSATION

Workmen's compensation is not a domestic product; it had its origin in the Baltic and Mediterranean watersheds during the latter half of the 19th century amid the dense population of Europe, but it is practically unknown among Oriental people—it has been most justly, equitably and scientifically worked out during the last twenty-five years on the German stage of industrial activity.

It is, therefore, a foreign plant seeking a habitat in the Western Hemisphere, where our statesmen in the various states and in our federal Congress are endeavoring to solve the problem of "Workmen's Compensation," both under this title, and under the title of "Employers' Liability." To the end that we may have a practical view of what is meant by "Workmen's Compensation" and "Employers' Liability," I will endeavor to define the meaning of these terms.

MODE OF PROCEDURE OUTLINED AS APPLIED BY THE WORKMEN'S COMPENSATION METHOD, SIMPLE AND PRACTICAL

By "Workmen's Compensation" we make provision by law, without trial by court or jury, for specific and absolute payment for the injury received, as per legally scheduled rating, the workman receiving prompt payment without the expense incident to litigation, and without regard as to why or by what cause the accident occurred—save and except only, injuries that are self inflicted.

MODE OF PROCEDURE OUTLINED BY EMPLOYERS' LIABILITY, SERIOUSLY PRACTICAL

By "Employers' Liability" we endeavor to place the responsibility of compensation to the injured workman upon the shoulders of the

employer for actual or alleged faults, this requiring generally an action at law, cumbersome in procedure, expensive in process, and usually resulting, after long periods of litigation, in nominal relief, if any, for the injured, after expenses and legal fees have been paid.

The two systems are fundamentally different in the mode of procedure, although seeking the same end. The "Workmen's Compensation" method provides for the injured and his family. The "Employers' Liability" method rests upon some conduct or act of the employee resulting in an injury for which the employer is to be held liable, and which liability the employer naturally seeks to minimize, and the employee naturally seeks to maximize, resulting inevitably in creating acrimonious relations between employer and employee; while these various efforts have in a way been helpful, in that they have caused us to think, we have not as yet hit upon any plan in the United States that accomplishes the desired result. The German government, through a system carefully worked out during the last twenty-five years on plans highly scientific, has solved the problem through "Workmen's Compensation."

MODE OF PROCEDURE BY THE GERMAN GOVERNMENT

Their mode of procedure simply and briefly stated consists of the following:

The German government has instituted a process by which employers and employees administer their accident insurance fund, which in our country could be administered by an insurance commission who should have authority to rate each hazard of every nature and character known to experience, to establish uniform compensation for the injuries sustained. For example: The employee is a workman operating a machinist's lathe, and the insurance rate as fixed is ½ of 1 per cent on the monthly payroll, thus, if the wage is $4 per day = for 25 days $100.00.

½ of 1 per cent..... = 50 c per month
The employee pays ¼ as much..... = 12½c per month
Fund remitted monthly to the State Treasurer for one man's wage, including employer's share..... 62½c per month

The fund thus created is remitted to the State Treasurer monthly from all the industries in the state. It is beyond the control of corporations, firms and individuals, and is useful only in case of injury; the

employee does not look to the employer, but both employee and employer look to the solvent fund for relief when the workman is injured —the time of his greatest need.

All kinds of work has been classified and rated about 10 per cent above actual needs, subject to such annual changes in ratings as may be found necessary by experience, and the burden is thus placed upon both employer and employee in a manner so just and equitable that the system is gladly welcomed by both. It provides the cheapest possible cost of industrial accident insurance for the workman, encourages both employer and employee to strive for the greatest safety in the workshop, thereby reducing the cost of insurance to both employer and employee to the lowest minimum and making for the maximum of efficiency, and enabling both workman and employer to operate in that intimate harmony so necessary to success. What is the argument? What is the proof? And what are the answers?

PERCENTAGES OF CONTRIBUTION TO CAUSES OF ACCIDENTS

The experience of the Germans indicates that 17 per cent plus of accidents are caused by the carelessness of employers, 29 per cent plus of accidents are caused by the carelessness of the employees, 10 per cent plus to the fault of the employer and employee jointly and 43 per cent plus to the hazard of the industry.

Hence it follows that if the employer causes 17 per cent plus of the accidents and stands 75 per cent of the amount paid into the fund, and the employee causes 29 per cent plus of the accidents and remits through his employer ¼ as much, that the employer bears a disproportionately heavier burden than the employee, but both have performed an agreed duty and all is well. When an accident occurs this is what happens:

The employer and the employee, both having contributed to the state fund as provided by law, the employee immediately reports his accident to his employer, who acts as the employee's unpaid agent, presents his case with promptness to the proper official asking justice as provided by law; no attorney appears to take a case on a contingent fee against the employer, creating acrimonious relations, as is unfortunately the case in our country, where employers and employees immediately become enemies. In the German Empire the injured employees and their employers remain friends to such an extent that all proper efforts are put forth to find such employment as may

suit the injured workman, and his service continues when restored to health.

CLASSIFICATION OF RISKS

In Germany all forms of disability known to experience are rated and compensation paid accordingly with absolute promptness. In the case of death the widow receives, so long as she remains a widow, a stated sum monthly, and for each child a stated sum monthly up to the age of sixteen, and a stated sum for dependent parents.

THE WONDERFUL GROWTH OF GERMAN COMMERCE UNDER WORKMEN'S COMPENSATION

This is the method, generally and very briefly stated, as employed by one of the most wonderful commercial nations of modern times; the method solves the problem skillfully, justly, is workable both commercially and socially, whereas we, a modern and highly enlightened people, are still conducting clumsy experiments, in an effort to work out a great social and industrial problem. Why not recast the German experience into our American mould? Appropriating without cost to us twenty-five years of highly scientific effort that was crystallized into success before we began our try and fit method, of taking the best laws of one state (though all poor) and the bad laws of another, mushing them up in the political crucible and then feeding them to the industries on the nebulous theory that somehow they could stand it.

UNWISE AND EXPERIMENTAL LEGISLATION IN THE UNITED STATES

With the coming of these unwise and experimental laws, we see a general curtailment of production throughout the nation, not of existing industries, because the owners are in and could not get out if they would, but in the astonishing lack of new enterprises; capital has become alarmed because of the unknown risk that may wipe out the accumulation of several generations in one serious catastrophe, where many workmen, including the employer, may be seriously injured or perhaps destroyed; whereas the German method of "Workmen's Compensation" throughout the years of its existence has proven a safe vehicle, capable of carrying the industry, the employer, the workman and the dependents.

It is also of special value to the workman and his employer to

know that in the German method, the funds being in the State Treasury, nothing can possibly occur to disturb their safety, whereas in the United States, in about the ratio of 30 to 1, we leave the matter of final payment to "the blessed Trinity of chance, accident and mistake" except where the claim rests against an employer of undoubted responsibility, such as railways and other permanent long lived institutions; but in the case of the small employers, of whom there are said to be thirty small to one large employer in the United States, it will be seen that the small employer and the employee each face a serious hazard, in that the small employer may be entirely wiped out financially by a serious accident, and the injured employees be unable to recover. All of this is safeguarded in the German plan as proven by experience.

SERIOUS DEFECTS IN AMERICAN EXPERIMENTAL METHODS

Our methods generally contain, among other serious defects, the particular one that in the case of the death of the workman, the claims against the employer may run in favor of the widow and orphan for a period not exceeding five to fifteen years; generally speaking, the object being to properly care for the widow and children of tender years. All well intended, but how does it work out? Let us see.

SAMPLE OF RESULTS UNDER AMERICAN METHODS

1st. The employer is vastly responsible and a permanent concern —all is well.

2nd. The employer is small—business gets bad—the firm fails, becomes an insolvent debtor, widow and orphans are out in the cold.

3rd. Firm wants to retire from business—compensation outstanding to widow and orphans prevents. House may not be quite highly commercially moral; outstanding claim or claims large, assets begin to disappear, house makes an assignment, widow or widows and orphans can't collect; again Germany by her large experience and scientific methods proves the soundness of her "Workmen's Compensation" laws.

VIEWS OF AMERICAN MANUFACTURERS AND EMPLOYERS GENERALLY

I started out to be more brief, but the fact is I really have only touched upon the subject in the high spots, hence shall let the foregoing, with a brief summary, suffice and close by saying that all em-

ployers I have talked with deplore our unfortunate experiments in the entire field looking toward the solution of the question under consideration. They would welcome with open arms that most equitable, just, sound and workable method employed by our German neighbors, who offer us their fully tried experience, stripped of all experiments, free for the taking, and providing in addition to the advantages enumerated, the further definite knowledge of just what fixed charge to add to all industries for "Workmen's Compensation," stripped of guess-work as to what the charge may be. Just the reverse is unfortunately now the case in the United States, where exactly the same injury to two workmen, occurring in the same industry in two different localities, may be highly compensated by one court and jury, whereas in the other case the court and jury may find a verdict for a nominal sum. Hence cost line here rises and falls owing to the number of accidents that may or may not occur, involving the employer in uncertainties, resulting in wide fluctuations of cost from year to year in any industrial plant, all of which would be avoided by the fixed factors provided by the German method, tending to steady prices, enabling the operator to compute with accuracy the cost of industrial accident insurance, care for the injured, educate and provide for the orphan, and last but not least, leave employer, employee, widow, orphans and the infirm dependents, all friends.

PRESIDENT GRIGGS: We will now have a discussion on the "Fire Hazard Attack on Lumber," of fifteen or twenty minutes, which will be led by Mr. George H. Holt, of Chicago, Ill., who will be followed by Mr. W. A. Gilchrist, of Tennessee.

Fire Hazard Attack on Lumber

BY GEORGE H. HOLT, OF CHICAGO, ILL.

The subject of this discussion is "The Fire Hazard Attack on Lumber."

At other times and places your associations have considered the problem of Fire Waste as such, and the problems of Fire Insurance.

This discussion is to deal with the hazard to the lumber industry, which has developed within the last two years to astonishing proportions, chiefly through the fire insurance propaganda or agitation described generally under the title of Fire Protection and Fire Prevention.

We are as lumbermen profoundly thankful for all of the good things which the insurance men have done in this direction. We have no disposition to belittle the appalling extent of the destruction caused by fire in the United States, and we are heartily in accord with the professed purpose of the underwriters to detect or to extinguish or to control fires. Our controversy with them is not because they are doing too much in this direction, but because they do not go far enough.

Until you stop to think about it, it is natural to suppose that the insurance companies would pay a bonus to anybody who could permanently eliminate loss by fire. If you listen to their talk about it and to their arguments, the logic of the situation certainly must be that if the underwriters could bring it about no more fires would ever occur, excepting those which were designed for some economic use.

That would be suicide for the fire insurance business and the fire insurance agent. No fires, no business, no premiums, no commissions.

ELIMINATION OF FIRE WASTE UNDESIRED BY INSURANCE COMPANIES

We are, therefore, bound to take into account the fact that agents and insurance companies would be about the only people in the United States who would deplore the entire elimination of fire waste. We may well be on our guard, as buyers of insurance, in accepting their leadership or their professions, and we should heed the alarm when under the cover of such a pretense they take the lead and put up the money

to conduct an organized and country-wide campaign against every form of wood and wood products.

The latest number of the monthly called "Fire Protection," published in Cincinnati and Chicago, April, 1912, contains an article under the heading, "Fire Insurance Attitude Toward Fire Prevention," by H. N. Kelsey, Manager of the Western Department of the Sun Insurance Company, of London, and Chairman of the Underwriters' Committee of Publicity, from which I quote:

"PUBLIC CONSCIENCE AWAKENING

"Public conscience is awakening to the pestilence of loss of life, limb and property which has been caused by avarice of property owners in not protecting the lives of those domiciled in their premises.

"In the light of experience city officials who close their eyes to the repeated and oftentimes flagrant violations of city building ordinances enacted for the protection of citizens as a whole against the selfish interest of some particular individual, or who fail to prevent the erection of frame buildings within the city fire limits, or to extend these limits with the growth of the city, are committing a crime against society *as selfish and cowardly and as horrible* as men who seek refuge in an overloaded lifeboat on a threatening sea."

George Ethelbert Walsh, in "The World's Waste by Fire," says:

"If the story of historic fires teaches any great lesson it is this: Fire protection can come only through the use of absolutely incombustible material for outside and inside work. Wood must be eliminated not only for walls and partitions but for exterior trim and finish. We can build structures today that do not need to contain enough wood to make a lead pencil. When our cities are composed of buildings that cannot burn, fire, the greatest scourge of all times, will be brought under safe control so that it will no longer prove a daily menace to life and property."

Secretary Wentworth, of the National Fire Prevention Association, has recently conducted a fire-brand campaign from coast to coast, chiefly against the use of wood in any form; and secondly, in advocacy of every form of substitute for wood in construction or equipment.

He is so tickled with his phrase, "A shingle roof is not a covering but a crime," that he never tires of repeating it or some variant of it.

Louis Amundson, President of the Peoples Fire, is credited with inventing the "criminal match," which as a psychological great gun, is calculated to destroy a large part of the lumber industry.

All of the ammunition manufactured by the Fire Prevention Associations and propaganda is seized upon and appropriated by the manufacturers and merchants and exploiters of other competing products.

"Fire Proof Digest" is a new and pretentious magazine fostered

by the Dahlstrom Metallic Door Company. It prints in large type the following:

"If the lumber people consider it advisable to spend fortunes to protect their business it is proof enough that better materials are supplanting the products they produce and sell. But they are endeavoring to create facts and not uncover forgotten ones.

"The fire proof people have but to explain what they have and what their products accomplish. They have real facts to bring out and no theory."

It would take all the time allotted to the opening of this discussion to so much as summarize the new magazines and new departments of established fire insurance papers which have suddenly burst into imposing proportions as mediums for the exploitation of devices and materials from which it is hoped to extract the nimble dollar of the advertiser. Let me quote just one or two items. Under the head of "Fire Proof Furniture Needed:"

"MERCHANTS AND MANUFACTURERS CARELESSLY FILLING GOOD BUILDINGS WITH HAZARDOUS EQUIPMENT AND FURNISHINGS, TO THEIR OWN DETRIMENT"

"It is a most glaring inconsistency in the great movement for fire protection and fire prevention that while every precaution has been taken to insure that buildings themselves shall not burn, little or no heed has been paid to the nature of their equipment. Building codes are being revised constantly, creating fire zones and specifying what materials shall or shall not be used in various classes of buildings, but no restrictions are placed on the character of the interior furnishings. Buildings erected in the heart of the business district, where fires may mean financial disaster for thousands, and untold loss of human life—so constructed that the building itself does not contain one square foot of combustible material, are filled immediately with the most inflammable types of furniture and equipment. The day of wood furniture should have passed with the day of old frame office buildings, years ago."

You will not be disappointed if you find in the same paper advertisements of metal furniture, metal windows, doors and trim. Or this:

"The question of how far the *fight on wood* will extend and to what extent wood will give way to bricks and tile is a very interesting one. Fire proof constructionists claim that we are entering upon a clay age and that in fifty years virtually all buildings will be constructed of fire proof materials . . . a frame building in a community of any size will be considered an oddity and a freak."

CONCEALED MOTIVES

The question arises: "Why do the underwriters interest themselves in any reduction of Fire Waste?" Why do they not all maintain the attitude of the agent referred to in "Fire Protection," as follows: "The attitude of many local agents is reflected in the reply of a prominent local agent to a letter soliciting his subscription to 'Fire

Protection:' 'Not interested. Fire Protection eliminates fires, reduces rates, and knocks out commissions.' "

There are several answers and all of them are perfectly intelligible.

First: Fire Protection Associations are just a name for another way of combining the insurance men into forms of organization not prohibited by law.

They are a refuge for previously dispersed or threatened organizations of underwriters and agents. They are a "get together" under a new banner, partly with the purpose of starting a back fire to distract the attention of the public, and partly with the purpose of maintaining solidarity of action against the unorganized public.

Second: They fear the spirit of rebellion which is spreading throughout the country against their arbitrary and costly methods of doing business.

The public has begun to see and the insurance men admit not only that the fire waste is appalling but that the expense of insuring against fire waste is still more appalling, because uneconomic and avoidable.

The insurance man's remedy is "Reduce the fire waste and the rate will come down." The answer of the public is, "We have reduced the fire waste and your rates have not come down, excepting under the stress of competition of Mutuals and similar organizations.

Third: The plan of the underwriters is to direct attention to *palliative* measures which will reduce fire waste gradually but not too fast; which will reduce fire loss more rapidly than the companies are obliged to reduce premium rates; which will, therefore, result in better net profits and a slow readjustment of organizations and methods, at the expense of the public.

Fourth: Lumber and shingles are selected as scape-goats, because of the appeal to the imagination; because there are millions of buildings still standing and which will continue to stand and furnish an excuse for high rates; and because the insurance men are satisfied that in spite of their propaganda the people will continue to maintain a condition of fire waste profitable to the companies.

THE MENACE TO LUMBER

I stated earlier that lumbermen come in conflict with the underwriters first at the point where they stop short of the public interest to serve their private interests.

It is this greater conception of a social service and of the community interest, as distinguished from the selfish class interest, that we as lumbermen stand for.

The underwriters make no pretense of giving statistics which justify their attack upon lumber and upon shingles. My investigation leads me to believe that there are no such statistics, but that in fact a proper tabulation of statistics will show that the denunciation of lumber and the indictment, colored with fire and framed with epithets, is insincere and indefensible, and that lumber is not guilty of the crimes charged against it.

We challenge the underwriters to produce the statistics which justify or excuse these lumber hysterics. Let them produce such statistics or stand convicted of deception and misrepresentation and duplicity.

A slight analysis of the insurance companies' statistics and claims will help to an understanding of the subject.

Secretary Wentworth asserts that "out of 11,000 fires in sprinklered buildings in the past fifteen years, ***not a single instance*** shows the failure of a standard sprinkler head to extinguish or to hold the fire in check, except where tampered with or crippled by explosion." A perfect record.

He does not say how many of these sprinklers were in strictly fireproof buildings absolutely devoid of wood, but everybody knows that there was not one single instance of that character. Everybody knows that every such building not only had wood in it, but that only a small amount of water was required to dampen the wood so that the fire did not spread.

George Ethelbert Walsh states:

> **"It is estimated that there are about 12,000,000 structures of one kind and another in this country, including the public buildings and mansions of the wealthy as well as the humble houses of the poor in the cities and in the country. Now in spite of our great strides in fire proofing there are not more than 10,000 of these 12,000,000 structures which have been built with any serious attempt to make them fire proof."**

In my opinion, this is a raw guess, but take it at its face value. Compare the losses in the 10,000 fire-proof buildings during the past ten years with the losses in sprinklered buildings, as quoted from Secretary Wentworth above. Visions of wrecks of "fire proof" buildings and the values destroyed with them, and the lives lost in them, fill the memory of every man, from the Equitable Life Building, the Asch Building and the Parker Building in New York, to the ruins of the

conflagrations of Baltimore and San Francisco and the human desolation of the Iroquois Theatre fire.

INTERNAL CONSTRUCTION AND CARE OF PROPERTY GREATEST HAZARD

With utter and reckless disregard of fact, frame buildings and shingle roofs are stigmatized as the cause of conflagrations. Of course, shingle roofs and frame buildings will burn, when dry and unprotected and exposed to fire. Of course, when frame houses are built without any consideration of fire hazard and are piled and jumbled together and set up in rows as though planned for a bonfire, there will be fire loss. This is not conclusive at all that frame buildings or shingle roofs are responsible for the largest part of fire waste. The greatest values in structures and contents are not in frame buildings but in brick and stone and steel structures, and the greatest hazard under any condition is the internal construction and the care of the property.

I am not contending that all structures should be of wood and that no structure should be without wood. I am contending for a reasonable and sane and honest treatment of the subject, and for an apportionment of the hazard as it exists and not as it is misrepresented.

There is no source of information to which lumbermen may turn and find statistics accumulated and tabulated to prove the case either for or against them.

The partial statistics which are available and which may be availed of by further research will certainly tend to show that the campaign against wood is not founded on fact.

In the absence of official action by the Federal government or by the states to provide us with trustworthy statistical records, much can be done by lumbermen to prove their case, and much must be done by lumbermen, if anybody is to do it, because the lumber industry is the industry that suffers most of all from the false propaganda.

CONFLAGRATION

We challenge the writers and speakers who loosely and carelessly charge lumber and shingles with the responsibility for conflagration to produce their records and submit them to analysis.

The Bangor conflagration was a hay fire.

The Chelsea conflagration was a rag fire.

Baltimore was a celluloid fire.

San Francisco was an earthquake fire.

Chicago was a kerosene-cow fire.

Toronto was a necktie fire.

New Orleans was a terminal fire.

Houston indeed started in a deserted dwelling, but the official report shows that it was not a shingle fire, and would have been an insignificant fire except for cotton.

THE CRIMINAL MATCH

A slight inspection of the Massachusetts Report, for example, makes this exhibit:

In the case of 5,929 fires, exposing a valuation of $124,451,202 and causing an insurance loss of $7,547,537.45

The "Criminal Match" is charged with (about 7.2 per cent) 542,103.46

Leaving to other causes (about 92.81 per cent) $7,005,433.99

Careless smoking, heating apparatus or spontaneous combustion each contributed far more than the "Criminal Match."

See the following table:

MASSACHUSETTS STATISTICS

FIRES CLASSIFIED BY CAUSES: Page 632.

Fifty-sixth Annual Report, 1911:	*Number of fires.*	*Valuation.*	May 6, 1912. *Insurance loss.*
Grand totals	5,929	$124,451,202	$7,547,537.45
Careless smoking	524	7,575,569	681.692.51
Careless use of candles	73	387,075	18,527.85
Careless use of matches	630	7,886,064	260,350.54
Children and matches	488	1,975,039	93,925.92
Curtain fires	317	1,971,255	52,648.90
Defective stoves, etc	57	623,300	52,105.61
Defective chimneys	286	1,449,027	278,731.97
Electrical causes	75	7,217,263	450,275.87
Exposure	...	3,238,360	397,779.06
Friction	35	16,544,774	124,453.69
Hot ashes	115	1,119,698	73,278.73
Incendiary	120	702,126	119,227.69
Lightning	64	3,246,282	81,971.63
Overheated stoves, etc	287	3,683,953	399,338.92
Snap matches or sparks from matches	102	3,562,125	16,926.18
Sparks from bonfires, etc	85	325,601	47,911.61
Sparks from chimneys	220	1,730,210	51,923.72
Spontaneous combustion	307	10,906,736	826,698.40
Volatile oils, etc	133	3,234,789	180,444.20
Rats and matches	218	2,436,052	170,900.82

No controlling action can be taken without a working knowledge of facts. First, then, how can we get the facts which must govern us, and which will govern the public judgment?

It is not necessary to wait until complete and verified statistics covering a long term of years and the entire country have been accumulated. Neither is it necessary to accumulate statistics concerning the hundreds of classifications of property which enter into the calculation of grand averages.

There are twelve associations affiliated in this National Lumber Manufacturers' Association, with an annual lumber production of 15,000,000,000 feet of lumber, representing every zone of lumber production and consumption in the country, excepting New England and Canada. Coöperation by this widespread and powerful aggregation, under consolidated leadership, having a comprehensive knowledge of the business and an adequate grasp of the situation, would produce widespread and early results.

It would lead to a coördination of effort not only with associations of wholesalers and retailers and of the class organizations of woodworkers and furniture factories, implement and vehicle manufacturers, etc., but through the educated intelligence and the awakened conscience of this nucleus of men in each community the property-owners of every kind would soon unite with the movement and take into their own control the function of adequately conserving property and life, and of economically and equitably distributing the unavoidable loss. The resulting economies to the nation would in a few years amount to hundreds of millions of dollars. Not only would the cost of insurance be reduced at least one-half, but the uncalculated saving of uninsured property, of interruption to business and commerce, and of life and activity which will otherwise be sacrificed, would be of momentous importance.

FIGHTING STRENGTH

The personnel, the capital and the values at risk in our industry greatly outclass the similar aggregates in the insurance industry.

Vast as the figures are of insurance in force, roughly supposed to be about $50,000,000,000, 80 per cent of all of the insurance is written by a mere handful of companies conducted by a mere handful of men when compared with the great number of organizations and the vast army of men connected with our industry.

On our side, in any conflict, after the terms are known, must be ranged every buyer of insurance and every property-owner and every man who is inspired with the social instinct.

On their side can only be massed the limited force which now profits by the perpetuation of conditions which are already the subject of revolution.

This shows the utter absurdity of permitting the control of this problem to remain in the hands of underwriters whose selfish interest is opposed to the community interest.

The insurance organization has intrenched itself behind hundreds of defenses, including not less than 300 separate organizations supporting more than eighty insurance journals and covering every section of the country, with an unknown number of local boards responsive to their control.

The country has been divided into a few grand divisions which have operated with something like independence in their several fields, as related to the other grand divisions, but with approximate monopoly within each grand division in dealing with the property-owner.

ACTIVITY OF THE INSURANCE ORGANIZATIONS

Every day the organizations approach closer and closer to solidarity. The Western Union, for example, controlling about nineteen states, has placed in charge of publicity and legislation a paid and trained insurance attorney, with all of the power of the organizations back of him. It is now proposed to nationalize the plan and to unite all companies under one organization to be managed by former Superintendent Hotchkins, of New York, at a salary of $25,000 a year, and with at least $50,000 per annum for his expense account, and with the right of the organization to assess the companies for further sums upon the basis of the business transacted by each.

What show has the local trade organization or the state political organization or the unorganized property-owner of any kind anywhere in conflict with that consolidated power and unity of purpose?

Against this aggregation the lumbermen have set up a few toy organizations, under the name of Mutuals, Lloyds, Inter-Insurers and other coöperative forms of insurance. There were twenty-eight of these organizations at last accounts with others in prospect. They had a known aggregate of business in force of about $420,000,000; the volume of insurance in force in the eight Inter-Insurance concerns is not known.

The ridiculous inadequacy of four hundred or five hundred millions of class insurance to compete with or control fifty thousand millions of general insurance leaves no standing room for argument.

But aside from the inadequacy of scope and capital, the very conception of these companies totally unfits them to deal with the larger problem.

Within two weeks or two months from the date of the organization of a Mutual or similar concern, the managers and attorneys and clerks climb into the insurance band wagon and ride with the procession. This is a perfectly natural situation, which has not had due consideration. It is a subject which deserves separate consideration.

These organizations, however, if coöperating with the industry for the benefit of society, might be of the greatest service. The data and the expert training which are in their control would be of great service to a delegate committee dealing with the insurance problem.

COLLECTIVE INTEREST

No progress can be made until the mind grasps the conception of the whole fire problem as a community problem as distinguished from a private problem.

We are dealing with "The Fire Hazard Attack on Lumber," not at all with the cost of insuring lumber and lumber properties.

The problem is, how to grasp the situation and to deal with it so that the demand for lumber and its products shall not suffer unduly from the conspiracy of the fire insurance propaganda and the exploiters of competing materials.

Legislation and city ordinances are already in effect and more are promised which are uneconomic and against public policy, designed and fostered by those who desire to profit at our expense.

Every city and every village presents the same problem of fire waste, when viewed as a collective problem, that an extensive manufacturing industry presents.

There is no engineering or financial problem connected with the reduction of fire waste and the economic construction and development of a city which is not involved and has not been solved in individual plants.

The greater loss of values by fire is not on buildings but on contents. The present system of extinguishing fires is responsible for a large part of the loss.

The New England Mutuals long ago worked out every feature of the problem of protection and prevention. They are covered by three simple terms:

Enlightened engineering.

Automatic sprinklers.

Care and supervision.

Every town and every city under such conditions could in less than ten years reduce its fire waste 75 per cent, and its fire cost an equal amount, and all without increasing taxation or the cost of insurance. This is the step which the Underwriters oppose.

This is no iridescent dream. I would undertake to do it for any city which will follow my direction, and I would advance the necessary money and take my pay out of the savings in insurance cost.

MEANS OF SECURING PRACTICAL REFORMS

This would simply necessitate the coöperation of the principal insurance buyers in the place and a reasonable revision of the laws or ordinances, wherever necessary to serve the public interest. Under these conditions burdensome restrictions now imposed could be done away with, and individuals might build and develop naturally and along economic lines, and no existing industry, old or new, need suffer from arbitrary discriminations.

This would involve the expense of investigating the fire record of the city and of giving to each separate city the best trained engineering skill for the solution of its problems.

The organization required would be merely the coöperation of the principal buyers of insurance contributing to a preliminary fund and coöperating to obtain the adoption of measures which might be finally determined upon.

This would involve also the problem of building ordinances, of police and fire departments, of water supply, of supervision and inspection, of statistical records, and of financing the total operation.

It would not require the installation of sprinklers in all plants or properties, or in every part of every particular property, and it would not involve the present extravagant system of multiple water supplies.

It should have the support of every tradesman or merchant who has to do with wood and its products. It would not be necessary for carpenters, painters, cabinet makers, and so on down the list of trades

which are founded upon wood and its products, to learn a new trade or to engage in a new business.

It would not obstruct or hinder in any way the development of clay, or concrete, or steel construction, wherever such construction could be justified by the statement of facts.

In every case the community interest should have first consideration. Limitations of height or area or subdivisions or exits or of use or occupancy, should all be subject to the collective interest of the community.

This would afford lumber every consideration to which it is entitled without granting it any privilege or favor to which it is not entitled.

This National Lumber Manufacturers' Association, with its wide extended membership and its greatly diversified interests, can put its hands upon hundreds of cities and towns and obtain the coöperation of the property owners and the early reform of conditions.

Organize a representative committee of lumbermen, whose enlightenment and reputation would command respect. Let them devise and recommend forms of organization and statistics for each affiliated organization and for the use of communities.

Let them devise or provide material for publication and distribution designed to educate public sentiment governed by the social conscience, and not designed to exploit one part of the community for the profit of another.

This committee should have at its disposal a moderate fund for the employment of expert help in the technical and publicity departments. It is not a field for amateur adventure.

SUMMARY

The attack upon lumber is an economic crime. It is fostered by selfish interests opposed to the public interest. It can be defeated by enlightened public sentiment and an awakened conscience. Opposed to us is an organized and disciplined force, bound together by self-interest, and subject to centralized control. To overcome that force we must assemble the greater army of property-owners and workers of all those interests that are being sacrificed and marauded. Enlightened engineering, automatic sprinklers and care and supervision will reduce the hazard to economic proportions.

I beg to urge the immediate crystalization of opinion into a force as big as the nation organized for an aggressive campaign. [Applause.]

PRESIDENT GRIGGS: I will now call upon Mr. W. A. Gilchrist, of Memphis, Tenn., one of our prominent members, who had the temerity to attend a convention on this same matter that was held in St. Paul. Mr. Gilchrist said that he was not accorded the privilege of the floor to the extent that he would like to have had it; but I want to say that on this floor he can take just as long as he wants to on this subject.

Fireproofing Forest Products

BY W. A. GILCHRIST, OF MEMPHIS, TENN.

Thank you kindly, Mr. President. There are two things that command the respect of all men, fire and flood. I think in my present temper I can probably discuss the latter situation much more appropriately than this one. I could tell you more about the effect of sandbags upon Mississippi river waters than I could about the dangers that might arise to wood from a conflagration in New York.

I received a communication from President Griggs sometime in September, requesting me to proceed from Memphis to St. Paul to attend the meeting which the previous speaker has just mentioned. Right here, let me say to you that whenever you receive a modestly worded request from your president, Mr. Griggs, you can just assume that it is a command and it will not do you any good to resist it. Just proceed to carry it out and it will save time. In the case I have just cited I attempted to get out of covering the small distance from Memphis to St. Paul, as I knew that Mr. J. E. Rhodes would be on hand, and that he would be abundantly able to take care of our interests, and so I suggested to President Griggs, thinking it would afford an opportunity to secure my release; but it didn't go. As I told you, you had better do as the President says every time.

When I got up there I found that Mr. Rhodes had the situation well in hand, as he always has in everything he undertakes, and there was little to be done except to listen to the address of Franklin H. Wentworth, who seemed to be the star of the occasion.

I disagree with my friend as to the ill-advised meetings held under the Credit association. I think they were a little more effective than has been attributed to them, because of the fact that the Governor had called this meeting with the Credit association, and it received enormous attention, and the interest excited made it well worth notice.

Mr. Wentworth is an effective speaker. I understand that he is

a lawyer and also had two or three years of experience on the stage, and he combines in his oratory all that he has derived from both experiences with great effect. He went into the history and development of the underwriters' side of it and carried it along step by step until you would just say that there was no argument to be brought forward from any other aspect of the matter. The result of it was that, as members of the forest industries, the only conclusion that we arrived at was either that the interests that he represents must be permitted to proceed along the lines that they have mapped out, or that they will absoluely injure beyond repair the lumber industry—the forest products industry. The second conclusion I arrived at was, if the accusation were pointed at us, that we are guilty in that not one of us is doing a single thing to create a material such that the people will say it is fireproof. The conclusion was that it is absolutely necessary that that is one of the things that we must do.

LUMBERMEN SHOULD ENDEAVOR TO FIREPROOF THEIR PRODUCTS

I do not think that we will ever be able to obtain an absolutely non-combustible material, or that we will be required to, but we must have a non-hazardous one, at least. I think that is incumbent upon every member of this industry, not only the lumber manufacturers' associations, but individual lumber manufacturers, because they are the only ones big enough to see it. You will find that it will be loaded back on to this branch of the industry, and that we must promote private research laboratories that will solve this problem.

Due credit is given to the Forestry Department for their laboratories; but on the theory that two institutions are better than one, I think that the time is here when this National organization should take hold of this and develop it.

My conclusions are, as you see, informally expressed, but they ought to appeal to every gentleman in my hearing.

All of us have got to get together upon this question because we will have to solve it in some manner. Not being myself a chemist I have no idea of how it is to be done, but we will have to offer them something that is treated in such a manner that it is semi-fireproof, and then we will have won the victory. But when the interior metal trim man comes out here, as they did after the Equitable fire, and exhibits his interior metal trim—which itself is filled with wood, and after the conflagration proved to be only semi-fireproof—then we have

a rattling good chance with ours, if we can only get the proper chemical assistance.

Gentlemen, I thank you. [Applause.]

PRESIDENT GRIGGS: The next paper on our program is by Mr. J. J. Donovan, Bellingham, Wash., on "Development of Cut Over Lands."

Men or Trees?

The Problem of Our Logged-Off Lands

BY J. J. DONOVAN, OF BELLINGHAM, WASH.

The nation-wide interest in conservation of our resources has caused special attention to be given the great areas of stump land lying idle in every lumber producing state.

Lumbermen have been condemned, unheard or unheeded, as destroyers of a great resource and putting nothing in its place by well-meaning men and women who have only superficially examined the situation or view it from the standpoint of the muckraker and sensationalist.

The land owner, after the trees are cut, has had to face archaic tax conditions, poor soil or heavy drainage or stump removing expense, so that unless he had large capital and was willing to wait long for returns it was impossible to utilize the land. Choice spots near the cities and along the rivers have been cleared up, usually by industrious men of foreign birth who were not hunting a short cut to wealth, but many of them now have fine farms and comfortable homes as a result of their struggles with the stumps. This method of reclamation has been slow and unnecessarily wasteful of labor and time.

COST REDUCED IN CLEARING LARGE TRACTS

Dynamite, donkey engines, gasoline and electric blowers, char pitting and, for all stumps save those of the Pacific Coast, horse machines greatly reduce cost when intelligently used.

When all excuses are made, the fact remains that there are many millions of acres of this cutover land lying absolutely useless in the United States today in spite of the land hunger that fills the waiting lines for weeks prior to any offering of land by the government, and sends one hundred thousand American citizens each year to the Cana-

dian Northwest. What is the matter? Some answer, "high taxes"; others, "poor soil"; others, "expensive labor, lack of markets, need of drainage," and so the story goes. There is some truth in all these claims, but there is room for millions of people on these lands and certainty of good returns if there is intelligent coöperation and direction.

I am fairly familiar with conditions in the northern half of the United States, and realize fully that the lumbermen are not wholly blameless, but the legal and economic conditions are such in most cases that they have had little choice. The same men who demand that for every tree cut one be planted, object to changes in system of taxation which make it possible to reforest with any chance of profit. Therefore, much land reverts for non-payment of taxes to counties which continue the do-nothing policy of the original owner. When the states are owners and have sold the timber, they generally make no use of the logged-off land until some settler finds a choice piece of agricultural land which is then sold.

LAND SHOULD BE CLASSIFIED

Whether the owner is the state or a private company or an individual we need a revision of our laws and awakening of interest so that land will be used—

First. Agriculturally, wherever soil is suitable, that our citizens seeking homes may remain under our own flag.

Second. For grazing if conditions do not warrant removing stumps and bringing under the plow.

Third. For reforesting such tracts as are not available for better uses.

How shall this be accomplished? For bringing stump land under the plow some advocate assistance from the state analogous to that given in reclaiming desert lands by irrigation, or by improvement districts similar to those under which swamp-lands have been reclaimed. Minnesota has a law of this character and I trust some delegate from that state will tell us whether it is of practical benefit.

DEVELOPMENT BY PRIVATE ENTERPRISE ADVOCATED

In Washington many good men advocate state aid on one of the above plans. I doubt the wisdom of this policy and believe private enterprise can solve the problem in every case where the real value of the land warrants the expense. Large holdings can be improved at

less expense per acre than small ones and for this reason if the logging companies themselves do not clear up the land, holding companies devoted to clearing and selling are necessary, and such a plan is just being made effective in southwestern Washington.

The company which I represent, the Lake Whatcom Logging Company, of Bellingham, Wash., has placed fifty-two individual settlers or families on logged-off lands during the past five years and not one has thrown up his contract. Most have paid up in full, are prosperous and contented. Our theory is to sell in small tracts to actual settlers, at reasonable prices, on easy terms, and to help with lumber and clearing where moderate payment is made. We do not offer land until we have opened roads and secured fair mail and school facilities.

Wherever the soil is good and companies secure a good class of settlers, this plan will solve the problem. The second class lands, suitable for grazing or too remote from centers of population to warrant expense of removing stumps, can be made of value by burning over in the spring or fall and following up with a moderate sowing of timothy and clover as soon as the ashes cool. Anyone interested in this phase of development should obtain the United States Department of Agriculture's Farm Bulletin 462, "The Utilization of Logged-off Land for Pastures in Western Oregon and Western Washington," by Byron Hunter and Harry Thompson, who have investigated the question at length and have deducted many valuable conclusions.

The bulletins of the Logged-off Land Association of the State of Washington contain much information of value. Its President is Mr. J. W. Brown, Alaska Building, Seattle, Wash., from whom these bulletins may be obtained. This organization, formed in 1908, secured coöperation of the State of Washington and of the agricultural department of the United States, and much reliable information has been compiled as to clearing costs and methods.

DIFFICULTIES OF REFORESTATION

Reforesting cutover lands scientifically has made little progress on the Pacific Coast, even inside the United States Reserves, the area treated being a very small percentage of the whole. The states and private individuals have done practically nothing as yet because there was neither economic reasons nor public sentiment requiring it. This condition is changing and most of the states now have forestry depart-

ments whose importance is being realized and supported by the legislatures.

Existing tax laws make impossible reforesting by private owners except in isolated cases. Land suitable for such purposes should be acquired by the state at a maximum price of, say, $5 per acre, and modern practical forestry methods applied which will transform a waste into a source of lumber supply and revenue to the state fifty years hence.

Each state should classify its cutover lands under one of the three heads given and sell the two first named classes. The balance should be reforested. When these suggestions are applied to the idle tangle of brush and stumps covering many millions of acres in the North and West, conditions will no longer reproach the lumbermen nor the people of the state affected. There are homes for millions under far more favorable conditions than govern life on the cold northern plains, but coöperation and intelligence are needed to make these lands available.

PRESIDENT GRIGGS: The next number on our program is an address by Mr. McGarvey Cline, Director, Forest Products Laboratory, Madison, Wis., on the subject of "The Lumbermen and the Wood Using Industries." Mr. Cline is unable to be in attendance, and he has requested Mr. H. S. Betts, engineer in forest products, to read the paper for him. Gentlemen, Mr. Betts.

MR. H. S. BETTS: Mr. Cline, the Director of the laboratory, was taken sick at the last minute and could not attend. The paper prepared by him is as follows:

The Lumbermen and Wood-Using Industries

BY MC GARVEY CLINE, OF MADISON, WIS.

In 1909 the census reports show that the sawmills of the United States produced 44,509,000,000 board feet of lumber. Approximately 73 per cent of this amount was made up of five species, viz.: yellow pine, Douglas fir, oak, white pine and hemlock. Where and how this enormous quantity of material is consumed has been and is still largely a matter of surmise. An investigation, however, which is being made by the Forest Service has progressed far enough to warrant some tentative estimates on the annual requirements of the different wood-using industries. I shall present with this paper several tables based on a study of the wood-using industries of twenty states; but at this time I will merely call your attention to certain deductions that have appealed to me as being pertinent to the problems you are now considering.

Table 1* shows the amount of wood in millions of board feet that is consumed by fifty-one different industries in the twenty states upon which the report is based. Eighty-four per cent of the material reported was consumed by eleven industries. For these eleven industries I have prepared an estimate of the total consumption of lumber in the United States, basing it on the capital invested in the industries as reported by the Bureau of the Census. According to this estimate, which I think is approximately correct, the lumber cut is distributed as follows:

		Per Cent total lumber cut	Millions of board feet
(1)	Planing mill products, including sash, doors, and general mill work	29.70	13,250.00
(2)	Boxes and crating	10.00	4,448.00
(3)	Car construction	4.48	1,955.10
(4)	Furniture	3.02	1,348.16
(5)	Vehicles	1.97	877.31
(6)	Agricultural implements	.78	350.67
(7)	Musical instruments	.61	273.48
(8)	Woodenware	.51	228.16
(9)	Ship and boat building	.43	192.63
(10)	Trunks and valises	.21	94.98
(11)	Handles	.63	281.64
(12)	Miscellaneous industries	12.30	5,470.00
(13)	Export	6.74	3,000.00
(14)	Sawed ties	2.28	1,017.00
(15)	Rough lumber and structural timbers	26.32	11,750.00

* See pages 193, 194, 195 and 196.

If we assume that practically all the planing-mill products go into the building trades, these estimates indicate that 56 per cent of the entire lumber production, or 25,000,000,000 board feet, goes into the building and general construction work. This amount is made up as follows:

80 per cent total yellow pine manufactured	13.0 billion
80 per cent total Douglas fir manufactured	3.9 billion
90 per cent total hemlock manufactured	2.7 billion
Cypress, white pine, redwood, oak and other hardwoods	5.4 billion

It seems, therefore, that fully 50 per cent of the entire lumber produced has to be sold in competition with cement, brick, tile, etc.

BOXES AND CRATING

It seems from the figures here presented that the various estimates of the amount of lumber consumed by the box industry which have appeared from time to time have been much too high. Ten per cent of the total lumber production, or approximately 4,448,000,000 board feet, is used in the manufacture of boxes and crates. This amount is made up approximately as follows:

8.9 per cent total yellow pine manufactured, or	1,440 million b. f.
28.0 per cent total white pine manufactured, or	1,097 million b. f.
62.0 per cent total red gum manufactured, or	438 million b. f.
8.2 per cent total hemlock manufactured, or	252 million b. f.
6.4 per cent total spruce manufactured, or	112 million b. f.
15.7 per cent total yellow poplar manufactured, or	135 million b. f.
Other species mentioned in Table 3	974 million b. f.

Thus 10 per cent of the total lumber manufactured has to compete with fiber board and veneer. Such competition is becoming more and more acute as the demands of shippers and transportation companies for lighter and, at the same time, stronger boxes increase. Tests made at the Forest Products Laboratory show that the ordinary nailed box is inferior in many respects to improved types that are being introduced and it is my personal opinion that the ordinary type of wooden box will lose its present position of leadership among shipping containers unless its manufacturers are able to overcome some of its inherent defects.

CAR CONSTRUCTION

Approximately 4.5 per cent of the total lumber manufactured, or 1,955,000,000 board feet, is used in the construction of cars. This amount is made up as follows:

7.27 per cent total yellow pine manufactured	1,183.3 million b. f.
3.4 per cent total Douglas fir manufactured	168.0 million b. f.
6.1 per cent total oak manufactured	271.8 million b. f.
6.1 per cent total yellow poplar manufactured	52.3 million b. f.
Other species as indicated in Table 3	279.6 million b. f.

Lumber used in car construction is coming into competition with steel under-framing and steel bodies. The competition with steel for under-frames and for passenger coaches is becoming more and more active and unless there is a change in policy on the part of the railroads wood as a car material may soon be limited to use in box cars and for interior trim.

FURNITURE

Three per cent of the total lumber manufactured is consumed by the furniture industry. This industry also imports considerable amounts of mahogany and other cabinet woods. The 1,348,000,000 board feet of domestic material consumed is made up as follows:

14.0 per cent of total oak manufactured	629 million b. f.
10.0 per cent of total maple manufactured	112 million b. f.
24.6 per cent of total birch manufactured	111 million b. f.
13.9 per cent of total red gum manufactured	98 million b. f.
7.5 per cent of total yellow poplar manufactured	65 million b. f.
6.7 per cent of total basswood manufactured	27 million b. f.
All other species	306 million b. f.

It is very noticeable to what a small extent the soft woods enter this industry. Steel is being substituted for wood to a moderate extent in the manufacture of certain classes of office furniture, and iron and brass are being largely used for beds, but in general the furniture industry offers an excellent market for high grade hardwoods.

VEHICLES AND VEHICLE PARTS

Two per cent of the total lumber manufactured, or 877,003,000 board feet is used in the manufacture of vehicles. It is made up principally of oak, yellow poplar, maple, hickory, red gum and other species mentioned in Table 3.* Steel is being substituted for wood to a certain extent in this industry, but such substitution is doubtless due more to the difficulty the manufacturer encounters in securing sufficient wood of the quality desired than it is to the superiority of steel.

The remainder of the fifty-one industries mentioned in Table 1 consume relatively small quantities of material and in them the competition of wood with other materials is of minor importance with respect to its effect upon the general lumber situation.

* See pages 198 and 199.

Table 3 is of particular interest in that it shows the distribution of our most important species among the wood-using industries. A study of it brings out very clearly some fundamental difference in the problem of marketing soft-woods and hardwoods. It appears that fully 91 per cent of the yellow pine manufactured, 89 per cent of the Douglas fir, and 98 per cent of the hemlock are consumed in building and construction work and in the manufacture of boxes. Large proportions of cypress, white pine and other conifers also enter these industries.

In the building trades and in the box industry the cost of raw materials constitutes a comparatively large proportion of the cost of the finished products; therefore, any rise in the price of raw materials has a proportionately large effect on the cost of the finished article to the consumer.

Lumber has long been the material from which a house of any given size and finish could be built at the least cost to the builder; and its wide use as a building material in this country has undoubtedly been more due to this cause than to its merits or demerits as a building material. In the case of residences and other small buildings, fire risk and durability become strong arguments in favor of substitutes only when the retail price of lumber is such that the cost of a frame house equals or is only slightly less than that of an equivalent house built of brick, tile, or other materials. Those manufacturers of lumber who are largely dependent upon the building trades for their markets, should recognize this fact and devise ways and means of so regulating their selling costs that lumber will continue to be the material from which a satisfactory home can be built at a minimum cost to the builder.

UTILIZATION OF LUMBER FOR BY-PRODUCTS

The manufacturers of yellow pine in particular, and of Douglas fir also, have excellent opportunities to divert much of their low-grade lumber into paper, turpentine, alcohol and other by-products. The writer touched on this subject in a paper presented at the last meeting of the Yellow Pine Manufacturers' Association and urged the importance of such developments to the owners of yellow pine stumpage.

The manufacturers of hardwoods are facing a much less difficult situation. Their products are used in a large number of different industries in which the cost of raw material is only a small proportion of the cost of the finished article. In these industries, viz.: furniture,

vehicle, handles, and many others of minor importance, wood is used because it has properties which make it peculiarly fit for the purpose that it serves and not principally because it is the cheapest raw material suitable to the needs of the manufacturers. This diversity of use offers an excellent opportunity to the manufacturers of hardwoods to work up their logs not only into the standard forms of lumber but also into numerous sizes of small dimension stock. It seems to the writer that it would be to the mutual interest of hardwood manufacturers and consumers to study this problem. A standardization of small dimension stock of different species should result in greater profits to the lumber manufacturer through closer utilization of his logs and in cheaper material to the consumer. [Applause.]

Explanation of Following Tables.

Table 1 summarizes results obtained from studies made by the Forest Service of the wood-using industries of 20 States. All quantities are expressed in millions of board feet. Similar studies of other States will be completed within the next six months.

Table 2 shows the amount of different species consumed by the eleven most important wood-using industries in the 20 States covered by Table I. All quantities are expressed in millions of board feet.

Table III. In order to estimate the total amount of wood consumed by the eleven industries, listed under Table II, in the entire United States, the capital invested in the different industries of the 20 states was obtained from the Census report; the capital invested in each of the industries in the entire United States was also obtained. It was assumed that the quantity of wood consumed in the 20 states would be to the capital invested in the 20 states as the quantity of wood consumed in the entire United States was to the capital invested in the entire United States. The last column in Table III contains the estimated consumption for the entire United States.

The figures in the first horizontal line under each industry express the figures given in Table II as the percentage of the total wood consumed by the industries in the United States.

The second horizontal line under each industry expresses in millions of board feet the estimated amount of each species consumed in the entire United States. These figures were obtained by applying the percentages in the first horizontal line to the estimated total amount of wood used in the United States given in the last column of the table.

The third horizontal line expresses the quantities shown in the second horizontal lines as a per cent of the total amount of each species manufactured in 1909 as reported in the Census report.

TABLE I

	Ala.	Cal.	Conn.	Ill.	Ky.	La.
Baskets and fruit packages	.....	.....	....	16.67	4.17	.....
Boxes and crating	22.44	309.41	....	372.03	109.57	56.00
Cars	18.62	0.55	24.41	407.33	14.86	.....
Sash, doors and general millwork	652.02	229.99	40.31	265.83	79.44	1,259.78
Vehicle and vehicle parts	7.59	3.13	4.39	57.95	59.44	6.49
Furniture	1.87	7.35	0.49	103.80	17.52	.....
Farm implements	2.52	1.08	0.74	137.16	6.61	.....
Store and office fixtures	1.02	5.08	1.04	30.33	10.35	0.21
Woodenware	0.31	6.54	1.75	3.28	.....	.....
Handles	1.73	.....	3.48	12.48	35.67	.....
Trunks	.....	2.02	....	2.82	2.01	.....
Chairs	5.01	0.02	1.62	16.26	6.40	.....
Pianos, organs and mus. instruments	.....	0.25	11.81	69.33	11.53	.....
Boats	0.51	18.28	....	1.02	.....	4.59
Dairyman, poulterer and apiarists' supplies	.....	0.13	....	42.12	.....	.....
Picture and fancy moldings	.....	0.48	....	39.94	.....	.....
Grain elevators	.....	.....	....	30.55	.....	.....
Tanks	.....	17.21	0.15	25.45	2.61	5.75
Sewing machine parts	.....	.....	....	20.80	.....	.....
Laundry machinery and accessories	.....	0.01	0.03	8.41	.....	.....
Electrical apparatus	.....	0.04	0.79	7.60	.....	.....
Coffins, caskets, etc	0.89	2.60	....	7.19	2.20	.....
Screens, window and door	.....	.....	....	5.75	.....	.....
Signs and billposting board	.....	0.16	....	5.51	.....	.....
Greenhouse, conservatories, etc	.....	.....	....	4.97	.....	.....
Machine parts other than electrical	.....	0.25	0.55	3.00	.....	.....
Well and road machinery	.....	0.05	....	2.63	.....	.....
Sporting goods	1.15	0.07	0.11	2.62	.....	.....
Cigar and tobacco boxes	3.20	0.21	0.21	2.33	.....	.....
Meat blocks	.....	.....	....	2.30	.....	.....
Elevators (freight and passenger)	.....	0.43	....	1.42	.....	.....
Refrigerators, kitchen cabinets and safes	1.00	0.27	....	7.08	2.67	.....
Toys	.....	.....	....	0.67	.....	.....
Plumbers' woodwork	.....	.....	....	5.47	.....	.....
Pulleys and conveyors	.....	.....	....	22.56	.....	.....
Brushes	.....	0.01	....	.....	.....	.....
Brackets, crossarms, insulator pins	.....	.....	....	.....	.....	.....
Excelsior	5.70	.....	....	.....	.....	.....
Paving material	.....	.....	....	.....	.....	.....
Patterns	.....	0.69	0.51	.....	.....	.....
Weighing apparatus	.....	.....	....	.....	.....	.....
Printing material	.....	0.01	0.29	.....	.....	.....
Aeroplanes	.....	.....	....	.....	.....	.....
Shuttles, spools, bobbins	1.10	.....	1.02	.....	.....	.....
Boot and shoe findings	.....	.....	....	.....	.....	.....
Whips and canes and umbrella sticks	.....	.....	....	.....	.....	.....
Saddles and harness	.....	.....	....	.....	.....	.....
Matches	.....	.....	....	.....	.....	.....
Dowels	.....	.....	....	.....	.....	.....
Fencing and gates	.....	.....	....	.....	.....	.....
Miscellaneous	0.13	19.11	1.69	8.58	22.03	13.75
Totals	726.81	625.43	95.39	1,753.23	387.08	1,346.57

TABLE I—Continued

	Md.	Mass.	Mich.	Miss.	Mo.	N. H.	N. C.
Baskets and fruit packages	7.14	1.47	.....	.....	.....	1.14	8.86
Boxes and crating	136.27	351.94	232.11	39.30	111.66	199.07	68.06
Cars	.....	29.67	11.13	.....	51.49	.....	.....
Sash, doors, gen'l millwork	81.36	21.80	516.58	547.10	142.90	116.03	368.02
Vehicles and vehicle parts	1.96	4.97	66.24	10.28	34.70	2.98	15.64
Furniture	17.77	48.14	81.48	10.28	28.17	4.60	132.21
Farm implements	.....	2.25	16.61	0.80	3.09	0.59	3.39
Store and office fixtures	1.66	1.59	24.21	0.44	10.25	1.60	2.36
Woodenware	.....	.....	45.27	.....	3.14	18.94	0.78
Handles	.....	0.77	38.47	4.04	19.64	0.92	3.60
Trunks	.....	.....	14.65	.....	4.36	.....	.....
Chairs	.....	.....	9.82	.....	.....	6.52	47.33
Pianos, organs and mus. insts.	1.56	27.46	12.27	.....	0.53	.....	1.80
Boats	6.35	3.93	4.43	.....	.....	7.08	0.80
Dairyman, poulterer and apiarists' supplies	.....	.....	.....	.....	2.56	.....	.....
Picture and fancy moldings	.....	.....	3.40	.....	0.13	.....	.....
Grain elevators	.....	.....	.....	.....	.....	.....	.....
Tanks	2.54	6.82	20.70	.....	.....	.....	.....
Sewing machine parts	.....	.....	.....	.....	.....	.....	.....
Laundry machinery, etc	.....	.....	13.73	.....	3.39	3.29	.....
Electrical apparatus	.....	.....	1.01	.....	.....	.....	.....
Coffins, caskets, etc	.....	.....	6.32	.....	7.70	.....	4.78
Screens, window and door	.....	.....	.....	.....	.....	.....	.....
Signs and billposting board	.....	.....	.....	.....	.....	.....	.....
Greenhouse, conservatories, etc	.....	.....	.....	.....	.....	.....	.....
Machine parts other than elec	.....	.....	.....	.....	.....	.....	.....
Well and road machinery	.....	.....	.....	.....	.....	.....	.....
Sporting goods	.....	.....	7.16	.....	0.96	0.62	.....
Cigar and tobacco boxes	2.37	.....	1.48	.....	5.76	.....	.....
Meat blocks	.....	.....	.....	.....	.....	.....	.....
Elevators (frt. and pass.)	.....	.....	.....	.....	.....	.....	.....
Refrigerators, kitchen cabinets and safes	.....	3.24	35.63	.....	.....	.....	3.33
Toys	.....	0.93	3.71	.....	.....	0.72	.....
Plumbers' woodwork	.....	.....	2.40	.....	.....	2.57	.....
Pulleys and conveyors	.....	.....	2.24	.....	.....	.....	2.53
Brushes	1.83	0.66	.....	.....	.....	0.64	.....
Brackets, crossarms, etc	.....	.....	.....	.....	.....	.....	8.42
Excelsior	.....	.....	5.90	.....	3.91	11.91	0.80
Paving material	.....	.....	.....	.....	.....	.....	.....
Patterns	.....	.....	.....	.....	0.42	.....	.....
Weighing apparatus	.....	.....	.....	.....	0.30	.....	.....
Printing material	.....	.....	.....	.....	0.11	.....	.....
Aeroplanes	.....	.....	.....	.....	0.02	.....	.....
Shuttles, spools, bobbins	.....	5.62	.....	.....	.....	11.71	3.48
Boot and shoe findings	.....	13.03	14.65	.....	.....	2.51	.....
Whips, canes, etc	.....	1.83	.....	.....	.....	.....	.....
Saddles and harness	.....	.....	.....	.....	.....	.....	.....
Matches	.....	.....	15.48	.....	.....	.....	.....
Dowels	.....	.....	2.23	.....	.....	.....	.....
Fencing and gates	.....	.....	.....	.....	.....	.....	.....
Miscellaneous	14.88	24.59	68.43	6.05	8.10	14.99	.....
Totals	275.69	550.71	1,277.79	618.29	443.29	408.43	676.19

TABLE I—Concluded

	Ore.	Tenn.	Texas.	Vt.	Va.	Wash.	Wis.	Total.
Baskets and fruit pks.	3.10	.....	.....	.....	19.66	6.51	.....	68.72
Boxes and crating...	77.95	77.98	35.76	40.25	413.37	95.04	119.27	2,867.48
Cars	.....	14.16	35.46	1.89	50.27	20.74	.....	680.58
Sash, doors, etc.....	66.13	185.42	635.36	93.07	267.64	86.88	174.19	5,829.85
Vehicles and parts...	0.20	33.49	0.72	2.01	17.49	.....	41.66	371.32
Furniture	9.85	39.27	7.06	8.69	20.21	7.28	52.75	598.79
Farm implements.....	.....	2.89	2.76	0.62	2.40	.....	14.84	198.35
Store and office fixt..	1.59	1.53	1.69	.....	3.07	5.96	6.01	109.99
Woodenware	.....	3.26	.....	10.55	10.55	.....	62.02	166.39
Handles	1.85	9.72	0.54	1.63	2.99	.....	1.65	139.18
Trunks	.....	2.89	0.50	.....	15.36	.....	11.58	56.19
Chairs	.....	6.76	.....	7.99	0.77	.....	48.95	157.45
Pianos, organs, m. inst.	.....	.....	.....	.....	.....	2.00	1.53	140.07
Boats	14.90	1.78	.....	.....	11.14	4.52	2.67	82.05
Dairyman, poulterer & apiarists' supplies..	.....	.....	.....	0.52	0.65	.....	4.52	50.50
Picture & fancy mldg.	.....	.....	.....	.....	.....	.....	.....	43.95
Grain elevators.....	.....	.....	.....	.....	.....	.....	.....	30.55
Tanks	.....	.....	0.86	7.35	.....	.....	9.50	98.94
Sewing machine parts	.....	.....	.....	.....	.....	.....	.....	20.80
Laundry machry., etc	.....	.....	.....	0.69	.....	.....	.....	29.55
Electric apparatus...	.....	.....	.....	.....	.....	.....	.....	9.44
Coffins, caskets, etc..	0.47	9.49	.....	.....	1.57	5.12	4.46	52.79
Screens, wndw & door	.....	.....	.....	.....	.....	.....	.....	5.75
Signs, billpstng board	.....	.....	.....	.....	.....	.....	.....	5.67
Grnhse, conserv, etc.	.....	.....	.....	.....	.....	.....	.....	4.97
Machine parts other than electrical.....	.....	.....	.....	.....	.....	.....	.....	3.80
Well and road mchry.	.....	.....	.....	.....	.....	.....	.....	2.68
Sporting goods.....	.....	2.63	.....	.....	.....	.....	.....	15.32
Cigar and tob. boxes.	.....	.....	.....	.....	0.45	.....	5.20	21.21
Meat blocks.....	.....	.....	.....	.....	.....	.....	.....	2.30
Elev. (frt. & pass.)..	.....	.....	.....	.....	.....	.....	.....	1.85
Refrigerators, etc....	.....	.....	.....	2.60	.....	.....	11.10	66.92
Toys	.....	.....	.....	1.50	.....	.....	5.46	12.99
Plumbers' woodwork.	.....	.....	.....	.....	.....	.....	.....	10.44
Pulleys & conveyors.	0.10	.....	.....	.....	.....	.....	.....	27.43
Brushes	.....	.....	.....	0.54	.....	.....	.....	3.68
Brackets, etc.....	.....	.....	.....	.....	5.88	35.00	.....	49.30
Excelsior	4.32	1.10	.....	.....	6.03	6.40	8.35	54.42
Paving material.....	.....	.....	.....	.....	27.55	3.50	.....	31.05
Patterns	0.38	.....	0.27	.....	0.13	.....	.....	2.40
Weighing apparatus..	.....	.....	.....	.....	.....	.....	.....	0.30
Printing material....	.....	.....	.....	.....	.....	.....	.....	0.41
Aeroplanes	.....	.....	.....	.....	.....	.....	.....	0.02
Shuttles, etc.....	.....	2.37	.....	3.07	0.63	.....	.....	29.00
Boot & shoe findings.	.....	.....	.....	.....	.....	.....	.....	30.19
Whips, canes, etc....	.....	.....	.....	.....	.....	.....	.....	1.83
Saddles and harness..	0.21	.....	.....	.....	.....	.....	.....	0.21
Matches	0.20	.....	.....	.....	.....	.....	.....	15.68
Dowels	.....	.....	.....	0.60	.....	.....	.....	2.83
Fencing and gates...	.....	.....	.....	.....	6.93	.....	.....	6.93
Miscellaneous	0.69	13.79	47.39	23.10	8.69	.....	34.40	330.39
Totals.....	181.94	408.53	786.37	206.67	893.43	278.95	620.11	12,542.20

TABLE II

	Yellow Pine.	Douglas Fir.	Red Oak.	White Oak.	White Pine.	Eastern Spruce.
Planing mill products and general millwork, sash, doors and blinds.....	3,245.19	269.20	94.23	120.74	254.88	92.38
Boxes and crating.....	513.17	5.28	5.66	2.19	708.97	72.36
Car construction.....	395.94	53.46	30.92	91.86	22.24	1.30
Vehicles and vehicle parts...	13.80	0.80	15.15	81.82	0.61	0.17
Agricultural implements.....	6.27	1.09	10.55	31.83	3.25	....
Furniture	4.92	11.39	125.81	226.50	7.85	0.56
Musical instruments.....	1.28	0.26	1.56	10.26	7.18	3.77
Woodenware	1.00	0.89	0.25	2.10	33.45	....
Ship and boat building.....	18.67	18.64	0.18	7.44	2.56	1.92
Trunks and valises.....	1.05	....	....	....	4.39	....
Handles	0.02	0.25	0.33	5.34	0.01	....
Totals.....	4,201.31	366.54	284.64	580.08	1,045.39	172.46

TABLE II—Continued

	Hard Maple.	Soft Maple.	Cypress.	Yellow Poplar.	Red Gum.	Chestnut.	Beech.
Planing mill products and general millwork, sash, doors and blinds.....	242.38	0.91	306.37	82.27	35.80	13.34	33.48
Boxes and crating.....	42.13	21.21	20.00	87.09	283.13	8.59	36.77
Car construction.....	1.51	1.14	0.33	18.31	0.27	0.51	....
Vehicles and vehicle parts.	17.51	2.90	0.07	25.50	10.15	0.65	1.90
Agricultural implements...	1.25	0.46	0.53	6.97	6.19	0.11	2.55
Furniture	55.38	7.95	2.66	36.43	55.07	18.51	26.14
Musical instruments.....	20.62	2.74	0.07	20.68	3.51	25.07	2.77
Woodenware	26.78	0.12	1.50	1.80	1.27	0.25	6.27
Ship and boat building....	0.12	....	3.10	0.03	0.06	0.57	....
Trunks and valises.....	5.00	0.02	1.10	2.89	1.83	0.22	0.50
Handles	23.48	0.08	0.02	0.16	4.12	....	6.14
Totals.....	436.16	37.53	335.75	282.13	401.40	67.82	116.52

TABLE II—Concluded

	*Birch.	Bass-wood.	Sitka Spruce.	Loblolly Pine.	Hemlock.	Total.
Planing mill products and general millwork, sash, doors, and blinds.....	70.96	26.78	34.82	606.14	130.66	5,660.53
Boxes and crating.....	62.71	51.50	57.51	415.94	162.44	2,556.65
Car construction.....	0.79	0.72	0.01	17.63	3.14	640.08
Vehicles and vehicle parts...	7.49	2.93	0.38	2.72	0.42	184.97
Agricultural implements.....	3.21	3.35	....	0.13	0.23	77.97
Furniture	62.26	15.12	1.07	11.28	5.17	674.07
Musical instruments.....	4.97	5.24	1.41	0.60	0.52	112.51
Woodenware	17.19	36.22	2.23	0.90	0.37	132.59
Ship and boat building.....	0.34	0.45	0.12	0.87	0.11	55.18
Trunks and valises.....	....	13.05	1.49	10.56	7.00	49.10
Handles	3.30	0.51	....	....	0.50	44.26
Totals.....	233.22	155.87	99.04	1,066.77	310.56	10,193.12

* Includes yellow, paper and sweet birch.

TABLE III—Concluded

	Chestnut.	Beech.	Birch.	Basswood.	Sitka spruce.	Hemlock.	All others.	Total consumed by industries (20 states).	Estimated total for U. S. (millions)
Planing mill products	.23	.57	1.21	.46	.60	2.23	3.48		
Total consumed in United States	30.2	75.5	160.	60.4	78.8	295.	461.1	5,829.8	13,250.0
Per cent of total production	4.55	14.8	35.2	15.1		9.66			29.7
Boxes and crating	.30	1.28	2.19	1.80	2.01	5.67	11.0		
Total consumed in United States	13.3	56.9	97.2	80.0	89.2	252.	488.	2,867.5	4,447.9
Per cent of total production	2.0	11.1	21.5	20.0		8.25			10.0
Car construction	.075		.012	.01		.46	10.0		
Total consumed in United States	.14		.02	.02		8.98	194.0	680.58	1,955.1
Per cent of total production	.0211		.0044	.005		.294			4.48
Vehicles and vehicle parts	.175	.512	2.02	.79	.102	.113	50.0		
Total consumed in United States	1.53	4.50	17.7	6.93	.895	.992	439.0	371.32	877.31
Per cent of total production	.231	.88	3.92	1.74		.0325			1.97
Agricultural implements	.055	1.28	1.62	1.69		.116	64.0		
Total consumed in United States	.186	4.33	5.48	5.72		.392	216.	198.35	350.67
Per cent of total production	.028	.847	1.21	1.43		.0128			.786
Furniture	2.43	3.45	8.26	2.00	1.42	.682	11.0		
Total consumed in United States	32.7	46.5	111.3	27.0	1.91	9.2	148	756.24	1,348.16
Per cent of total production	4.92	9.1	24.6	6.76		.301			3.02
Musical instruments	17.9	1.97	3.54	3.74	1.01	.37	20.0		
Total consumed in United States	48.8	5.38	9.65	10.2	2.76	1.01	54.6	140.07	273.48
Per cent of total production	7.35	1.05	2.13	2.56		.0331			.612
Woodenware	.15	3.76	10.3	21.8	1.34	.22	20.0		
Total consumed in United States	.344	8.62	23.6	50.0	3.07	.505	45.8	166.39	228.16
Per cent of total production	.0519	1.69	5.22	12.5		.0165			.512
Ship and boat building	.695		.414	.548	.146	.134	30.0		
Total consumed in United States	1.33		.793	1.05	.279	.256	57.5	82.05	192.63
Per cent of total production	.2		.175	.256		.0084			.432
Trunks and valises	.39	.89		23.2	2.65	12.45	13.0		
Total consumed in United States	.369	.843		22.0	2.51	11.80	12.3	56.19	94.98
Per cent of total production	.0557	.165		5.5		.387			.213
Handles		4.40	2.37	3.66		.358	65.0		
Total consumed in United States		12.4	6.68	10.3		10.1	183.3	139.18	281.64
Per cent of total production		2.42	1.47	2.58		.331			.63
Miscellaneous								2,350.0	5,470.0
Per cent of total production									12.3
Exports									3,000.0
Per cent of total production									6.74
Sawed ties	57.7	1.15				15.37			1,017.0
Per cent of total production	8.70	.226				.504			2.28
Total per cent accounted for	28.11	42.28	95.43	68.43		19.83			73.30

TABLE III

	South. yellow pine.	Douglas fir.	Red & white gum.	White pine.	East spruce.	Maple.	Cypress.	Yellow poplar.	Red gum.
Planing mill products	65.70	4.58	3.66	4.34	1.57	4.13	5.22	1.41	.61
Total consumed in United States	8,700.	606.	484.	575.	208.	547.	692.	186.	80.7
Per cent of total production	53.5	12.5	11.0	14.75	11.9	49.5	72.3	21.7	11.4
Boxes and crating	32.42	.18	.27	24.7	2.52	2.21	.70	3.04	9.87
Total consumed in United States	1,440.	8.0	11.98	1,097.	112.	98.2	31.1	135.	438.
Per cent of total production	8.86	.164	.272	28.1	6.42	8.88	3.25	15.7	62.0
Car construction	60.79	8.64	13.95	3.27	.19	.39	.05	2.69	.04
Total consumed in United States	1,183.3	168.	271.8	63.5	3.7	7.6	.97	52.3	.77
Per cent of total production	7.27	3.46	6.15	1.63	.212	.687	.1015	6.1	.109
Vehicles and vehicle parts	4.45	.216	26.3	.164	.046	5.50		6.87	2.72
Total consumed in United States	39.03	1.89	230.7	1.44	.35	48.25		60.3	23.8
Per cent of total production	.24	.038	.522	.037	.02	4.37		7.02	3.36
Agricultural implements	3.81	.55	21.32	1.64		.862	.267	3.52	3.12
Total consumed in United States	12.89	1.86	72.0	5.55		2.91	.902	11.9	10.55
Per cent of total production	.073	.0384	1.63	.1425		.263	.943	1.39	1.49
Furniture	2.14	1.40	46.6	1.04	.074	8.35	.352	4.80	7.27
Total consumed in United States	28.95	18.85	629	14.0	.997	112.4	4.75	64.6	98.0
Per cent of total production	.178	.38	14.2	.359	.057	10.15	.497	7.53	13.9
Musical instruments	1.34	.185	8.40	5.12	2.69	16.65	.05	14.7	2.50
Total consumed in United States	3.67	.505	22.9	13.98	7.34	45.52	.136	40.2	6.83
Per cent of total production	.0226	.0102	.52	.359	.42	4.12	.0142	4.69	.965
Woodenware	1.14	.53	1.41	20.0		16.17	.90	1.08	.764
Total consumed in United States	2.615	1.215	3.234	45.8		37.06	2.06	2.48	1.75
Per cent of total production	.016	.0226	.0732	1.18		3.35	.216	.289	.248
Ship and boat building	23.86	22.7	11.24	3.12	2.34	1.46	3.78	.036	.073
Total consumed in United States	45.71	43.5	21.52	5.97	4.48	2.80	7.23	.069	.140
Per cent of total production	.281	.882	.487	.153	.1535	.253	.755	.008	.0198
Trunks and valises	20.62			7.82		8.93	1.96	5.13	3.25
Total consumed in United States	19.52			7.40		8.45	1.85	4.86	3.08
Per cent of total production	.120			.19		.765	.193	.566	.435
Handles	.014	.179	4.07	.007		16.95	.014	.115	2.95
Total consumed in United States	.0403	.505	1.75	.019		47.86	.0403	.324	8.32
Per cent of total production		.0102	.0396	.0005		4.32	.00422	.0378	1.18
Sawed ties	141.6	256.1	328.4	13.57			21.42		1.66
Per cent of total production	.871	.528	7.44	3.48			1.87		.234
Total per cent accounted for	71.44	23.79	47.02	47.25	19.18	86.66	80.14	35.03	95.34

PRESIDENT GRIGGS: Mr. Ridsdale, Executive Secretary of the American Forestry Association, who is present, has prepared a short address, and I want to have him take the floor now. Gentlemen, Mr. Ridsdale.

The American Forestry Association

BY P. S. RIDSDALE, OF WASHINGTON, D. C.

Gentlemen: I represent the American Forestry Association, an organization devoted to a work which is one of the most important for the good of all the people that is being conducted in the United States—the work of conserving the forests so that our lumber supply, instead of being rapidly exhausted, as it is now, will be renewed—will furnish wood for future generations and also assure to the country one of its greatest sources of income for hundreds of years to come.

I find there are some among you who are under a misapprehension regarding the association, who believe that it is connected with the government, maintained by the Department of Agriculture, or is a sort of publicity branch of the Forest Service. I wish to explain right here that it is none of these. We do not receive a cent from the government, and, as a matter of fact, the government spends now for the Forest Service far less than the work of the Service requires, while Congress now proposes to cut this amount in half.

The American Forestry Association is an independent organization the members of which are people who are interested in forest conservation because they realize it is for the good of the whole people and a prime necessity; lumbermen who favor scientific lumbering and desire new growth of timber encouraged, and the existing forests protected from forest fires; foresters and others.

SOURCES OF INCOME

It is non-political, non-partisan, and, I may add, non-financial; that is, none of its officers except the secretary receive any salary; all the money which it collects is used in furthering the important work which it is doing—and its income is secured from membership fees, subscription to the magazine and donations by people and organizations realizing the absolute necessity and great value of encouraging the work which it is doing.

You will realize the necessity of this work when you study the figures of forest experts. They say that at the rate our forests are now being cut down there will be no standing lumber of serviceable size in the United States in from forty-five to fifty years. This does not allow for any increase in consumption, which is steadily increasing.

This does not allow, either, for new growth by either natural reforestation or artificial replanting and it is this reforestation and this replanting which the American Forestry Association is energetically and constantly urging.

ACCOMPLISHMENTS OF THE ASSOCIATION

For the past thirty-one years the association has been fighting. It has secured the passage of much beneficial forest legislation, both state and national; aided in obtaining national forests; has inspired national and state appropriations for the investigation of tree diseases, and has promoted the organization of many state forestry organizations which have been doing an excellent work. In addition to this it has interested thousands of men and women and even boys in forest preservation and extended the campaign for conservation into every state and territory in the union. It continues to do this work to the very best of its resources, and could do much more with an increased income.

The association's chief medium of publicity is its magazine, American Forestry, issued monthly, and which has won to the work many thousands—including a number of members of Congress and State Legislatures, who shrewdly guard against legislation inimical to forest conservation, and vigorously work for legislation supporting it. At the present time the association is striving to have Congress appropriate $80,000 for investigating the destructive chestnut tree blight; is endeavoring to prevent Congress cutting down the appropriation for the Forest Service; is working to secure an extensive national forest between Washington and Baltimore and is aiding in the organization and development of state associations as well as conducting its general work for forest conservation.

GROWTH, CONSUMPTION AND FIRE LOSS

Let me briefly give you some statistics: The yearly growth of wood in our forests does not average more than twelve cubic feet per acre. This gives us a yearly growth of less than seven billion cubic feet, while there is cut twenty-three billion feet, over three times the annual

growth. There is damaged yearly by fire amounting to an average of $50,000,000. In addition to this, the loss of young timber by fire is unestimated, so is the damage done by fire to the soil, its property of reproduction often being entirely destroyed. Add to this fire loss the yearly loss by disease and to that the difference between a year's cut and a year's growth and you get an idea of how long, under existing conditions, the timber of this country is likely to last.

MEANS OF INCREASING PRODUCTION AND DECREASING WASTE

Consider this also: That it is apparent by the introduction of proper forestry methods the annual productivity of our forests could be greatly increased, and the yearly loss from fire, insects and disease greatly reduced.

There are 225,000,000 acres of producing forest in this country. On this area the stand is so open that all the trees could be grown on 145,000,000 acres, which would be producing at the rate of seventy cubic feet per acre annually.

There is an unutilized area of 80,000,000 acres within our present producing forest; there are 135,000,000 acres of absolute forest land within our virgin or mature forests now unproductive. There are 90,000,000 acres of waste lands which can be made productive by planting, and by fire protection. It is estimated that the total increase possible in the productiveness of our forests is 25,850,000,000 cubic feet.

Only 25 per cent of the yield of our present producing forest is saw timber. It can be made from 50 to 75 per cent through the concentration of growth on the best trees by thinning and the holding of the crop until it reaches good size. This would mean an increase, if all our forest land were productive, from 27,000,000,000 board feet to between 50,000,000,000 and 80,000,000,000 board feet a year.

Consider these statistics and what I have told you about the American Forestry Association, and decide whether it is not valuable to you to do what you can to encourage and support our association in the work it is doing.

Each year the expense of the work exceeds the regular income and the deficit has to be made up by men and organizations appreciating the value of forest conservation.

Gentlemen, I thank you. [Applause.]

MR. KELLOGG: Gentlemen, I would like to call your attention

to the magazine, copies of which you have here on your chairs, the management of which has been recently reorganized, and the gentleman whom you have just listened to, Mr. Ridsdale, has taken charge of it. The magazine without any doubt is better now than it ever has been before, and the cause which it represents has the entire support of this organization. I should like very much indeed if this organization would take some action along the line, at least, of giving the American Forestry Association, which needs it, and the magazine, which needs it, still more than moral support and good will, and that you do something to increase the circulation of this magazine among the membership of this association and affiliated associations. I think it is absolutely worth it. Another thing I would like to speak of here——

PRESIDENT GRIGGS: Allow me to interrupt you by saying that this matter has been taken care of by the Board of Governors.

MR. KELLOGG: Very well, I was not aware of that. I would like to say that the paper just read by Mr. Betts, prepared by Mr. Cline, the director of the Forest Products Laboratory at Madison, Wis., is unquestionably the most practical and by far the best statistical paper ever presented by any representative of the Forest Service at any meeting of the lumber manufacturers of the United States for the purpose which it covers. I think that is absolutely right, as you will find when you come to look into it; because that paper points out for the first time, for we have never had the material before to speak from authoritatively, the big sources of use of our material. It tells us just what proportion of our material goes into this use. For that reason this report should be given the most careful study by all of the members of this association when it goes out in our proceedings, because it will tell them more than they know about it now of how to market their product, and particularly in what lines they are weak, and how, and this is a consideration above all else, they can best direct their efforts to get increased use and publicity for wood as a material. I want to emphasize that point here, because it is all in that paper.

PRESIDENT GRIGGS: Mr. Sterling, president of the American Wood Preservers' Association, happens to be in attendance at this convention, and he wants to say just a few words, and I think it would be very opportune to hear from him before we have that demonstration by Mr. Holt.

The American Wood Preservers' Association

BY E. A. STERLING, OF PHILADELPHIA, PA.

I will ask your indulgence for only a moment. I happen to have the honor of being the president of the American Wood Preservers' Association. As you know, the wood preserving industry comes in contact with the lumber industry, in fact, overlaps it in many ways.

There are just one or two things that I would like to take up your time with.

First of all, let me say that the wood preserving industry has grown so fast that many of us have not been able to keep up with it. In 1900 there were only eleven wood preserving plants in the country. The last figures given in the report of the proceedings of the association were 101 plants, and in the last year the growth in the number of plants has been equal to 20 per cent.

Wood preservation probably does not increase the consumption of lumber. In the long run it will decrease it. However, the value of the product treated by wood preserving plants represents at the present time in the neighborhood of $40,000,000. The amount of wood treated in 1911 was 1,250,000 board feet. This is of interest to you, gentlemen, as lumbermen, because, first of all, wood preservation takes certain grades and species which you have difficulty in finding a market for. In the East it takes beech, birch and maple, and for crossties and other uses red oak. In the South it takes sap pine, and so on down the line. You are all familiar with this feature of it and know it is of great importance, because it opens out, in a way, a new market.

In this connection there is one matter in which I think we ought to coöperate, and that is specifications and grades. As I see it, there is a distinct gap between the existing specifications of your associations and the requirements of the consumer for treated material. That has come up in the case of every railroad company that has built creosoting plants and that wants to get pine which will treat better than higher grade material, but which will have practically the same strength. The American Railway Maintenance of Way Association has been working toward the establishment of grades, and they have coöperated with you.

I believe; but I do not think they have gone far enough, and if it would be at all opportune it would be very easy, possibly, to appoint a committee on the part of the wood preservers and the people who use this material and handle it, to coöperate with some of your committees in going into this question of specifications for creosoted material.

FIREPROOFING QUALITIES OF PRESERVATIVE TREATING

There is one other thing which is in the future. You are up against the fire question. You are up against the underwriters who are talking against shingles, for instance. I believe that the time is coming when preservative treatment, combined with fireproofing chemicals, is going to be accepted and used by you as lumbermen. Supposing the cedar shingle manufacturers of the Pacific Coast put on the market cedar shingles which are treated with preservatives—really do not need to be—but, say that they advertised an absolutely fireproof shingle, and suppose that they would push it like the cypress people have been pushing their product, what would be the result? Would not that counteract to a considerable extent the attack against shingles? It is merely the idea that preservative treatment can be made fireproof treatment under certain conditions, under limited conditions, to be sure.

At last, but not least, I would say that we have practically completed arrangements with Mr. Johnson for running on the part of the Wood Preservers' Association a department in the Lumber World Review which will handle matters along the line of wood preservation. This will be the first time that material of this kind has been presented where the lumbermen can get at it. The Wood Preservers' Association publishes its annual proceedings, which have a limited circulation, but outside of that they have no means of intercourse on the printed page between members or between lumbermen who are interested in the industry. From now on, within a few weeks, you will be able to get in touch with the wood preserving industry through one of your lumber trade journals.

PRESIDENT GRIGGS: We will continue with the regular program now and get into the business part of this session. The report of the Auditing Committee will be next on the program.

MR. LONG: May I suggest that we have that demonstration that was promised by Mr. Holt?

PRESIDENT GRIGGS: I beg pardon, Mr. Holt, I believe you are to give us a demonstration.

MR. HOLT: I will give it to you now if you wish it.

MR. LONG: That paper by Mr. Holt is one to which he must have given a great deal of time, and it occurs to me that it ought to have very careful consideration. I move that it be submitted to the Board of Governors to be disposed of as they think best.

The motion carried, and it was so ordered.

PRESIDENT GRIGGS: Mr. Holt, will you give us the demonstration right now?

MR. HOLT: I will not take but a quarter of a minute. You have heard from Mr. Gilchrist the idea that we should develop some system of fireproofing wood. I would say that you have a system already developed which is all that is necessary, and which is cheaper than fireproofing. It will, I believe, do all the other things which are necessary in the house, as well as the stopping of fire.

(Mr. Holt took a mouthful of water, held up a small packet of matches, and with a sudden motion that would have don credit to a Chinese laundryman he discharged a well-directed spray of water from his mouth upon the matches, effectively imitating the action of an automatic sprinkler. He then added: "I defy anybody to burn those matches.")

SECRETARY SMITH: I think Mr. Holt would make a good Chinese laundryman, don't you? The chairman of the Auditing Committee has submitted his report, and has asked me to read it. In connection with it there is also attached the exhibit of receipts and disbursements which I read yesterday. The report is as follows:

Report of Auditing Committee

The Auditing Committee herewith submits the following report, which report covers the years ending March 31, 1911, and March 31, 1912.

As the books of the association were audited by chartered accountants, Westerman, Trader & Co., of St. Louis, Mo., your committee did not think it necessary to make any further audit of the books except to verify same, which we did. A copy of said chartered accountants' report is filed with the secretary and should be considered a part of this report.

We examined expense vouchers and found everything to be in line.

In this connection we would recommend that the manager render his expense accounts a little more in detail, as this would simplify the bookkeeping and make such accounts a little more intelligible.

We wish to commend the secretary's office on the efficient and conscientious way in which the accounts of the association are kept, and the splendid system of bookkeeping which is being used.

Respectfully submitted,

C. A. BARTON, Chairman.

MR. BARTON: In justice to the Auditing Committee, and for fear that the question might arise in somebody's mind as to how the Auditing Committee could have audited the books of the association when they were only appointed yesterday, I beg leave to make this suggestion. The same Auditing Committee that was appointed one year ago was appointed at the last session, and while it did not have an opportunity to examine the books of the association here, we did, however, last month examine the books of the association in St. Louis, and anticipating that possibly we might be appointed again for this year we brought down the examination to March 31, 1912.

PRESIDENT GRIGGS: I understand there is no report from the Committee on Constitution and By-laws; we will, therefore, pass that. The report of the Nominating Committee will be next in order, unless we go into unfinished business or new business. It was suggested a year ago that we eliminate the election of vice-presidents from each of the affiliated associations, who were an honorary feature, and instead of that elect three active vice-presidents. I had rather expected that an amendment looking to that would be reported by the Committee on Constitution and By-laws.

MANAGER BRONSON: Let me say in regard to that, that in connection with the call for this meeting, sent out by Secretary Smith, there was suggested an amendment to the constitution and by-laws to bring that matter into effect, so as to be in accord with what we felt would be the right practice, and which has been the practice for the last year, but without constitutional authority. We felt that the constitution should be amended to accord with the practice. Notice of that proposed amendment was sent out with the call for the meeting, according to the constitutional provision that thirty days before the meeting members should be notified of any proposed constitutional amendment.

PRESIDENT GRIGGS: Have you that detail, Mr. Smith?

SECRETARY SMITH: I do not think I brought it with me. I know it was incorporated in the notice that went out. I have not got that right with me at this moment.

PRESIDENT GRIGGS: Can you get that before this session adjourns? We can in the meantime go on with the next business.

look over my papers.

PRESIDENT GRIGGS: Somebody ought to have one of those notices. The Committee on Resolutions would practically be the next committee to hear from, Mr. Dalzell, chairman.

MR. EDGAR DALZELL: Mr. President and Gentlemen: The Committee on Resolutions held a meeting last night and another one this morning, and we beg to submit the following resolutions, which we will ask to have read.

The resolutions were read by Secretary Smith, as follows:

Report of Resolutions Committee

AMENDMENT TO SHERMAN ANTI-TRUST LAW

WHEREAS, American citizens engaged in trade with other countries are often compelled to sell in markets under conditions controlled by trusts or combinations, but are themselves prohibited by our Sherman anti-trust law from effecting a combination in restraint of trade "with foreign countries," from forming similar combinations, thereby being compelled to act individually when dealing with powerful combinations abroad, which condition is inequitable and burdensome to legitimate export trade in many lines;

THEREFORE, We request Congress of the United States so to amend the Sherman anti-trust act in the above respect that associations and combinations, not having to do with domestic trade, may, under proper restrictions, be formed for the purpose of engaging in trade with foreign countries.

PANAMA CANAL LEGISLATION

While the Panama Canal was primarily designed for the defense of the coasts of the United States, it was, nevertheless, in fulfillment of plans for the development of the world's commerce and more especially for the commerce of the United States. Therefore, so far as it can be done without violation of solemn treaties, laws and regulations for the government of the Canal should be so framed as to serve to the highest extent possible the development and welfare of this country, which is building the Canal.

But since the laws of the United States relating to shipping and navigation place a handicap upon American ocean-bound shipping, if the Canal be opened on absolutely even terms to all flags without any discrimination in favor of any American ships, the Canal will prove to be of greater proportionate benefit to foreign countries than to the United States.

THEREFORE, We petition Congress of the United States in framing laws for the government and operation of the Canal to open the Canal free to American ships engaged in our coastwise domestic trade, believing that thereby the development of our shipping will be encouraged, trade between the two coasts will be conducted more economically and the development of the natural resources of the two coasts will be greatly stimulated, whereas without such discrimination in favor of coastwise trade of the United States, the operation of the Canal will especially conduce to the development of the resources of the countries to the north and south of the United States.

CONTROL OF FLOODS IN THE MISSISSIPPI RIVER AND ITS TRIBUTARIES, AND IMMEDIATE RELIEF

WHEREAS, The loss of life and property during the present floods in the Mississippi river and its tributaries has been unprecedented, which floods have

produced a condition with which local or state resources are unable to cope, either in relief to the scores of thousands of people who have lost their homes and livelihoods or promptly to restore the territory affected to productiveness;

THEREFORE, The National Lumber Manufacturers' Association, in convention assembled, does most earnestly urge upon Congress the immediate adoption of all wise and generous relief measures, and, further, to assure, so far as congressional action may, the restraint, under wise counsel, of the great central rivers so that the present disaster may never be repeated; and we urge upon our membership and lumbermen everywhere to give support to their representatives in Congress in the adoption of wise, far-seeing and prompt measures of relief and of precaution for the future.

IMPORTATION OF INJURIOUS INSECTS

WHEREAS, Many of the insect pests and plant diseases, inflicting untold losses upon the forests and agriculture of the United States, have been imported from other countries and now are being imported, causing the expenditure of millions of dollars by the National government, the states and municipalities for their control; be it

RESOLVED, That we urge the adoption of the bill now pending whereby no importation of nursery stock, cuttings or any other articles or material by which these pests are introduced in the United States can be made except under direct and full control of the Agricultural Department.

UNITED STATES CONSULAR AND DIPLOMATIC SERVICE

WHEREAS, It has long been recognized that in many cases posts in the consular and diplomatic service of the United States are often filled by men not properly qualified for such positions, and as the representation of our commercial and diplomatic interests abroad requires special training or special experience;

THEREFORE, We support the movement toward placing under Civil Service regulations the diplomatic and consular service of the subordinate classes so that appointment to them may be made only upon federal examination as to the qualifications of appointees and that promotions may be made on a record of merit duly ascertained, and urge upon the Congress of the United States the adoption of measures looking to this improvement and safeguarding of our national representation abroad.

AMERICAN FORESTRY ASSOCIATION

WHEREAS, The American Forestry Association is maintained as a voluntary public service organization to further the perpetuation and better use of our forest resources, and

WHEREAS, It is the only organization which reaches and appeals direct to the public in a popular way regarding forestry and lumber matters, and maintains for this purpose a monthly magazine known as "American Forestry," and

WHEREAS, The lumber industry as a whole is keenly interested in forest conservation and in means of acquainting the public with the problems

of fire protection, forest taxation, freight rates, legislation, and conservative management and reforestation, be it

RESOLVED, That the National Lumber Manufacturers' Association endorses the work of the American Forestry Association and pledges its support to the cause; and be it further

RESOLVED, That each member of the National Lumber Manufacturers' Association be urged to affiliate with the American Forestry Association by becoming a member thereof and subscribing to its magazine.

MILLING-IN-TRANSIT AND CONCENTRATION RATES

WHEREAS, The attitude of the Interstate Commerce Commission indicates that it is about to surround the milling-in-transit and concentration rates with so many restrictions as to make them of no practical use to lumber and box shook manufacturers, and which, in addition, will undoubtedly result in higher rates on logs from the woods to saw mills; be it

RESOLVED, That it is the sense of this meeting that the secretaries of each of the affiliated associations be asked to secure at once from their members information and arguments and compile the same into a statement to be presented to the Interstate Commerce Commission at the special hearing granted lumber and box shook manufacturers, to be held at Louisville, Ky., July 17, 1912, either in the form of a brief or by having members appear before the Commission to give evidence showing the reasons why our industry should be granted a low concentration rate on mill refuse, cull lumber and logs for manufacture by box shook and saw mill concerns, and that concentration rates on logs, mill refuse and cull lumber for manufacture are not and should not be considered as milling-in-transit rates.

NATIONAL CHAMBER OF COMMERCE

WHEREAS, At the suggestion of the President of the United States and upon the invitation of the Secretary of Commerce and Labor, there assembled in Washington, April 22, 700 or more representative business men from all parts of this country for the purpose of forming a national commercial organization, whose function should be to coöperate with and advise the government departments upon matters affecting commerce and industry as a whole; and

WHEREAS, As a result of the deliberations there was organized The Chamber of Commerce of the United States of America, whose purpose as stated in its Constitution is as follows:

"The object of this Association shall be to provide a national clearing house for the development and consideration of business opinion, and to secure united action upon questions affecting the commercial interests of the United States. Only questions of national importance shall be considered." and whose membership shall consist of commercial and manufacturing organizations identified with the various trades, industries and sections of the country, and

WHEREAS, We feel that there should be a closer relationship between the commercial interests and the department of the government created

especially to advance them and that this can only be done through organized effort and the creation of a semi-official body with which the government can consult; therefore, be it

RESOLVED, That the National Lumber Manufacturers' Association hereby commends the action of the President and Secretary Nagel, and requests the Board of Governors of this Association to take such action as may result in this association becoming a member of the Chamber of Commerce of the United States.

RESOLVED, second, That we recommend to each of our affiliated associations that they become members, thereby increasing the usefulness of the Chamber of Commerce, and affording them the opportunity to express themselves on national problems affecting the lumber industry.

UNFOUNDED GOVERNMENT CHARGES

WHEREAS, After having been under indictment without trial for five years, suffering the deep humiliation of unfounded accusation by the government and compelled to endure the business inconvenience and loss resulting therefrom, James T. Barber, of Eau Claire, Wis., and his associates, and Frank W. Gilchrist, of Alpena, Mich., and his associates, have been relieved of these indictments without being brought to trial and thus were not given opportunity to prove their innocence of the charges made against them of securing public lands by fraud, but the government department concerned thereby confessing that the indictments were found without due cause and tacitly admitting that indictments preceded rather than followed the securing of evidence;

THEREFORE, The National Lumber Manufacturers' Association extends to these gentlemen its sympathy and most vigorously protests against action by any government department so regardless of the reputation and welfare of its citizens, and demands that such persecution of citizens shall cease; recognizing, however, the fairness now animating the Department of Justice.

RESOLVED, That the Secretary be instructed to forward attested copies of this preamble and resolution to the gentlemen concerned.

CONFIDENCE OFFICIALLY JUSTIFIED

WHEREAS, At the annual meeting of the Association a year ago a vote of confidence was given Mr. Edward Hines, our former President, upon his own statement before the Board of Governors;

RESOLVED, That we now feel gratified at his complete exoneration by the committee of investigation, thus justifying the action of this Association at its last meeting.

The thanks of the Association are hereby extended to the officers who have so faithfully and diligently served it during the past year, and especially to the President and to the members of the Advertising Committee for their faithful and intelligent handling of the matters entrusted to their care.

We also extend our thanks to the Committee on Memorial to James Elliott Defebaugh for their self-sacrificing services which they have performed at much cost of personal time and expense, resulting in the dedication on May 5 of the memorial window in the Forty-first Street Presbyterian Church of Chicago, and especially thank Mr. L. K. Baker, of Ashland, Wis., chairman, and Mr. C. A. Bigelow, of Bay City, Mich., secretary of the committee.

The Association extends its thanks to the lumber trade papers which have so loyally supported its plan for a general advertising campaign in behalf of wood, and wishes thus to express its appreciation of the broad attitude taken by these papers in regard to a matter which from a narrow viewpoint might seem to be inimical to their interests.

Action upon the foregoing report was deferred temporarily. The Chair called next for the report of the Nominating Committee, Mr. S. J. Carpenter, Chairman.

Report of Nominating Committee

Mr. President and Gentlemen: Your Nominating Committee have unanimously agreed to report for your consideration the following nominations of officers for the ensuing year:

PRESIDENT—E. G. GRIGGS.....Tacoma, Wash.
FIRST VICE-PRESIDENT—R. H. VANSANT.....Ashland, Ky.
SECOND VICE-PRESIDENT—J. B. CONRAD.....Glenwood, Fla.
THIRD VICE-PRESIDENT—R. H. DOWNMAN.....New Orleans, La.
TREASURER—J. A. FREEMAN.....Pasadena, Cal.

Respectfully submitted,

S. J. CARPENTER, Chairman.

No other nominations offering, the report of the Nominating Committee was received and on motion the nominees reported by them were unanimously elected to the respective offices named for the ensuing year.

SECRETARY SMITH: Gentlemen, by your vote you have re-elected your President, Mr. Everett G. Griggs, for the ensuing year. [Applause.]

PRESIDENT GRIGGS: I understand that the entire ticket is elected.

SECRETARY SMITH: We ought now to take up the Board of Governors, ascertain if any changes are desired, and complete the election.

PRESIDENT GRIGGS: We will hear from the Credentials Committee before we act upon that matter; I shall call for that report, Mr. Lewis Doster, Chairman.

Report of Credentials Committee

Mr. President and Members: Your Committee on Credentials have the honor to report that the associations affiliated with this organization are entitled to vote by numbers as follows:

	Delegates.
Western Pine Manufacturers' Association	9
Southern Cypress Manufacturers' Association	8
Hardwood Manufacturers' Association of U. S.	9
Michigan Hardwood Manufacturers' Association	6
Northern Hemlock & Hardwood Manufacturers' Association	9
Northern Pine Manufacturers' Association	17
Yellow Pine Manufacturers' Association	43
North Carolina Pine Association (Inc.)	10
West Coast Lumber Manufacturers' Association	24
Pacific Coast Sugar & White Pine Manufacturers' Association	4
Georgia-Florida Sawmill Association (Inc.)	6

It might be well to add for the information of those present that some associations did not appoint their full quota of delegates allowed by your constitution, or that their complete numbers are not in attendance, but the individual associations when voting on any subject will be credited with the above allotment, unless any divisions are reported.

Respectfully submitted,

LEWIS DOSTER,
A. W. COOPER,
R. S. KELLOGG,
Committee.

Without objection the report of the Credentials Committee was received and accepted.

The various affiliated associations having presented their nominations for members of the Board of Governors, there being no conflicting nominations, on motion of Mr. Long, the following Board of Governors was duly elected, viz.:

Board of Governors

WILLIAM IRVINE.....Chippewa Falls, Wis.
Northern Pine Manufacturers' Association.

W. C. LANDON.....Wausau, Wis.
Northern Hemlock & Hardwood Manufacturers' Association.

C. A. BIGELOW.....Bay City, Mich.
Michigan Hardwood Manufacturers' Association.

W. A. GILCHRIST.....Memphis, Tenn.
Hardwood Manufacturers' Association of the United States.

JOHN M. GIBBS.....Norfolk, Va.
North Carolina Pine Association (Inc.).

F. E. WAYMER.....Pauway, Fla.
Georgia-Florida Saw Mill Association (Inc.).

J. B. WHITE.....Kansas City, Mo.
Yellow Pine Manufacturers' Association.

A. T. GERRANS.....Houma, La.
Southern Cypress Manufacturers' Association.

R. M. HART.....Coeur d'Alene, Ida.
Western Pine Manufacturers' Association.

L. J. WENTWORTH.....Portland, Ore.
West Coast Lumber Manufacturers' Association.

GEORGE X. WENDLING.....San Francisco, Cal.
Pacific Coast Sugar & White Pine Manufacturers' Association.

EDWARD HINES (*ex-officio*).....Chicago, Ill.

When calling the list of proposed nominations for Board of Governors, there was no representative of the Redwood Manufacturers' Association, and no nomination from them.

PRESIDENT GRIGGS: I think the Redwood association has disintegrated. I hardly think it would be wise to consider them as members, although the board has not yet acted on their resignation. Mr. Skinner put in his resignation some time ago, but we have not had a board meeting to accept it. I rather think they will reorganize again this year.

SECRETARY SMITH: Then they can come in again.

Amendments to Constitution and By-Laws

A motion was then offered, seconded and unanimously passed, that the proposed amendments to the constitution and by-laws of the association be adopted as suggested in the official call for the annual meeting. The amendments are for the purpose of making the constitution conform to the practice adopted at the time of the last annual meeting of the Board of Governors, viz.:

That there shall be only three Vice-Presidents altogether, instead of one from each affiliated association, and that these Vice-Presidents, together with the President, the Treasurer, and the last retiring President shall be ex-officio members of the Board of Governors.

The sections and articles as amended are as follows:

ARTICLE III, SECTION I

The officers of the Association shall consist of a President, three Vice-Presidents, a Secretary, a Treasurer, a Manager and a Board of

Governors, consisting of one member from each association member of this Association, and the ex-officio members hereinafter provided.

ARTICLE III, SECTION 3

A President, three Vice-Presidents and a Treasurer shall be elected at each annual meeting, by ballot, by a majority vote of all votes represented at such meeting. All of these officers shall be active lumber manufacturers.

ARTICLE III, SECTION 5

The President, the three Vice-Presidents, the Treasurer and the last retiring President shall be ex-officio members of the Board of Governors.

ADOPTION OF REPORT OF RESOLUTIONS COMMITTEE

Chairman Dalzell, of the Committee on Resolutions, moved the adoption of the committee's report as heretofore submitted.

Mr. J. B. White moved to amend the report by the addition of the resolution regarding Mr. Hines, which is incorporated in the report of the Resolutions Committee.

The motion to amend was seconded.

PRESIDENT GRIGGS: Do I understand, Mr. Dalzell, that you are willing to accept that amendment and include it in your report?

MR. DALZELL: Yes.

PRESIDENT GRIGGS: Gentlemen, you have heard the motion to adopt the report as amended. Is there any discussion at this time with regard to any of these resolutions? If not the Chair will put the question.

The motion carried and the resolutions were unanimously adopted.

PRESIDENT GRIGGS: Is there any further business to come before the convention? If not, I want to add one parting shot to this convention. The Board of Governors that you have elected have to face a very considerable obligation to carry on the work of this organization for the ensuing year. I have felt, and did feel a year ago when I was elected to the presidency, that I was confronted with a pretty serious condition. I felt it for six months. I feel a little better in starting in on this year with this Association. On the former occasion I did not know just where I was; I know today. I feel that I have the confidence of the Association, as testified by this reëlection, and I am more than pleased to have this vote.

I think, however, that the matter of advertising, the matter of expending money to carry on the detailed work of this Association assumed by the Board of Governors, as it has had to be assumed, must have the confidence of the entire associations affiliated here; and we have got to hear promptly from every President and Secretary in regard to certain obligations that we are assuming. We want to have you talk freely and frankly to your Board at all times, so that when we do call the Board together they can reflect the sentiment of the districts from which they come. I have every confidence in the future work of this Association, whether or not it is backed unanimously by the affiliated organizations; but it would not last very long if any Association affiliated would resign because this or that little feature of the detail work of the Association were not carried out altogether in accordance with the sentiment of an individual. So I bespeak for the National Association the hearty coöperation of the affiliated associations; and the work must be carried on through the Presidents and Secretaries and the Board of Governors.

Gentlemen, I thank you. [Applause.]

MR. HOLT: I want to call the attention of those who are here, and who may not know it, that I happen to be the Chairman of the Insurance Committee of the National Wholesale Lumber Dealers' Association. We want to coöperate with this Association in this insurance work. Here is a somewhat interesting report that I have, although I am like Mr. Gerrans, I am recommending myself to some extent, although it is a production of this committee. Here was what was done in Louisville, Ky., in a very short time, putting the underwriter on the other side of the table and making him say why he does it, instead of letting him ask you to show why you did it. If anybody is interested in this report there are a number of copies here, and when they are gone there are more to be had if you will ask for them.

MR. WHITE: I am interested in the matter of this report that has been read. I expect we all are more or less. Yesterday in remarking upon Mr. Kellogg's address, who said that the lumbermen were goats, and very likely they were dead goats, I said that about all we needed now was coffins. And I am reminded that they are now making concrete coffins—cement coffins—and robbing the lumbermen of a market for something like 750,000,000 feet of lumber every year; and they claim, among other things, that they are fireproof. [Laughter.] Now we know the kind of life that we have led. I do not know what the

rate of insurance is, but if you have any policy that will cover that kind of a case I would like to know it. [Laughter.]

PRESIDENT GRIGGS: I am going to ask a former President of this association to pronounce the benediction of this convention. Mr. R. A. Long, will you close the convention?

L'Envoi

BY R. A. LONG, OF KANSAS CITY, MO.

Mr. President and Gentlemen: I hardly know what you want me to say, or scarcely what there is left for me to say. The assembly has been small from the standpoint of numbers; but, in my judgment, it has been great and influential from the standpoint of the papers read and the speeches delivered.

I have been especially impressed with the paper as read by Mr. Charles S. Keith. I think if we had not assembled for any other purpose than to have listened to that paper and to have meditated upon it, as I believe we have done to a greater extent than we would have done if we had read it at home in our offices, this meeting would have been a pronounced success. At this particular time it seems to me an excellent opportunity for us to make use of the material recorded therein, to our great helpfulness. I am very glad that this body has decided to spend quite a number of thousands of dollars in the distribution of this valuable paper.

LACK OF CO-OPERATION

There are some things, of course, that are discouraging in meetings like this. As I have sat throughout the different sessions that we have held, I have been impressed especially with the thought, as suggested in Mr. Carpenter's paper, of the lack of coöperation on the part of a great number of influential men, men who would be a power for good in this body if they met with us, but who practically show no interest in our sessions. This is discouraging on the one hand, yet, on the other hand, we should remember that in the various organizations throughout this country, and throughout the world, you might say, the work is usually done by a few men. Comparatively speaking, there are only a few men that do the thinking for the rest of the world; and so it seems to me that we should gather some encouragement from that thought.

I think we should attend these meetings from year to year, and while there are discouraging features that arise, yet, on the whole, we should be encouraged in the thought that we are in a quiet and humble way trying to do what we can in order to carry on an industry that is of great value and use, and in order that it may fulfill its place in the great industries of the world.

I made the statement some years ago—and I believe more and more in that statement—that it would be a good thing for every business man in the world if once every year at least he were compelled to prepare a paper upon some important subject, for the reason that in the preparation of such a paper, necessitating his giving the thought and consideration to the subject, it leads him to make investigations that he would not otherwise make, and hence makes of him a stronger man mentally, more thoroughly acquainted with the affairs of the country than would otherwise be the case.

VALUE OF ASSOCIATION MEETINGS

We find recorded in that book, which I hope we all read occasionally, this thought: "Forsake not the assembling of yourselves together." I believe that we are all agreed that that is a wise injunction, because through the assembling of ourselves together we produce results that could not possibly be produced—I care not how much one may read—when we separate or segregate ourselves into our single capacities. I believe freely in the fact that in the touching of elbows there is a strength that passes from one individual into another; and we cannot touch elbows except we congregate together in these various congregational capacities. And so I feel that it is my pleasure and my profit to be able to assemble at least once or twice a year in such congregations of individuals as we find assembled here, these meetings of the National association; and greater strength is obtained, if you please, Mr. President and gentlemen, through these assemblies and the assemblies of the National Lumber Manufacturers' Association than we could obtain through our individual associations—I mean to say the associations representing directly the particular industries in which we are engaged; because in this National association we find assembled together the best men of all of these various associations, representing ideas that pertain to these various association matters. Through this coöperation of thought we reach a greater development of our minds than would be otherwise the case. [Applause.]

PRESIDENT GRIGGS: I would like to ask for a rising vote of thanks to Mr. DeLaney and his associates here in Cincinnati, and to this hotel, for their courtesies extended to this association.

The motion carried, and a unanimous vote of thanks was returned to Mr. DeLaney and his associates, and the Hotel Sinton.

No further business offering, the convention adjourned *sine die.*

Delegate Attendance

NORTHERN PINE MANUFACTURERS' ASSOCIATION.

DELEGATES.

T. A. MCCANN, Crookston Lumber Company.....Bemidji, Minn.
R. G. CHISHOLM, Nichols-Chisholm Lumber Company.....Minneapolis, Minn.
H. R. WOERZ, David Tozer Company.....Stillwater, Minn.
J. F. WILSON, Johnson-Wentworth Lumber Company.....Cloquet, Minn.
H. C. HORNBY, Cloquet Lumber Company.....Cloquet, Minn.
L. L. BARTH, Edward Hines Lumber Company.....Chicago, Ill.
EDGAR DALZELL, C. A. Smith Lumber Company.....Minneapolis, Minn.
C. A. BARTON, Northland Pine Company.....Minneapolis, Minn.

ALTERNATES.

H. S. CHILDS, Secretary, Northern Pine Manufacturers' Association
.....Minneapolis, Minn.

NORTHERN HEMLOCK & HARDWOOD MANUFACTURERS' ASSOCIATION.

DELEGATES.

C. H. WORCESTER, Worcester Lumber Company.....Chicago, Ill.
W. G. COLLAR, W. G. Collar Lumber Company.....Merrill, Wis.

ALTERNATES.

R. S. KELLOGG, Secretary, Northern Hemlock & Hardwood Association
.....Wausau, Wis.
A. C. WELLS, J. W. Wells Lumber Company.....Menominee, Mich.

MICHIGAN HARDWOOD MANUFACTURERS' ASSOCIATION.

DELEGATES.

BRUCE ODELL, Cummer-Diggins Company.....Cadillac, Mich.
C. A. BIGELOW, Kneeland-Bigelow Company.....Bay City, Mich.
W. G. HULL, Smith-Hull Company.....Traverse City, Mich.
F. L. RICHARDSON, Richardson Lumber Company.....Bay City, Mich.
O. L. LARSON, Buckley & Douglas Lumber Company.....Manistee, Mich.

ALTERNATES.

J. C. KNOX, Secretary, Michigan Hardwood Manufacturers' Association
.....Cadillac, Mich.
CHARLES A. PHELPS, Hackley-Phelps-Bonnell Company.....Grand Rapids, Mich.

YELLOW PINE MANUFACTURERS' ASSOCIATION.

DELEGATES.

W. T. MURRAY, Fordyce Lumber Company.....Fordyce, Ark.
C. S. KEITH, Central Coal & Coke Company.....Kansas City, Mo.
C. D. JOHNSON, Frost-Johnson Lumber Company.....St. Louis, Mo.
J. W. MARTIN, Arkansas Short Leaf Lumber Company.....Pine Bluff, Ark.
S. H. FULLERTON, Chicago Lumber & Coal Company.....St. Louis, Mo.
R. A. LONG, Long-Bell Lumber Company.....Kansas City, Mo.
O. L. BENWAY, Natalbany Lumber Company.....Hammond, La.
G. R. SLAGLE, Louisiana Central Lumber Company.....Clarks, La.
J. B. WHITE, Missouri Lumber & Mining Company.....Kansas City, Mo.
S. J. CARPENTER, Tremont Lumber Company.....Winnfield, La.
J. H. BERKSHIRE, Ozark Land & Lumber Company.....Kansas City, Mo.
BEN S. WOODHEAD, Beaumont Lumber Company.....Beaumont, Tex.
F. H. LATHROP, Lathrop Lumber Company.....Birmingham, Ala.

ALTERNATES.

W. G. LOVELACE, Lovelace Lumber Company.....Brewton, Ala.
A. W. JUDD, Gates Lumber Company.....Wilmar, Ark.
M. B. NELSON, Long-Bell Lumber Company.....Kansas City, Mo.
RUFUS PENNINGTON, Blountstown Manufacturing Company.....Blountstown, Fla.

NORTH CAROLINA PINE ASSOCIATION.

DELEGATES.

HORTON CORWIN, JR., Branning Manufacturing Company.....Edenton, N. C.
IRA JOHNSON, Greenleaf-Johnson Lumber Company.....Norfolk, Va.
W. B. ROPER, Secretary, North Carolina Pine Association.....Norfolk, Va.
GUY I. BUELL, Montgomery Lumber Company.....Suffolk, Va.
R. G. CAMP, Camp Manufacturing Company.....Franklinton, Va.
GEORGE H. CAMP, Camp Manufacturing Company.....Pittsburgh, Pa.
J. T. DEAL, Cashie & Chowan Railroad & Lumber Company.....Norfolk, Va.

ALTERNATES.

None.

GEORGIA-FLORIDA SAW MILL ASSOCIATION.

DELEGATES.

H. M. GRAHAM, Stuart Lumber Company.....Brinson, Ga.
F. E. WAYMER, Union Lumber Company.....Jacksonville, Fla.
J. B. CONRAD, Bond Lumber Company.....Glenwood, Fla.
E. C. HARRELL, Secretary, Georgia-Florida Sawmill Association..Jacksonville, Fla.

ALTERNATES.

None.

SOUTHERN CYPRESS MANUFACTURERS' ASSOCIATION.

DELEGATES.

A. T. GERRANS, St. Louis Cypress Company.....Houma, La.

ALTERNATES.

None.

HARDWOOD MANUFACTURERS' ASSOCIATION.

DELEGATES.

B. B. BURNS, L. L. Ritter Lumber Company.....Huntington, W. Va.
R. M. CARRIER, Carrier Lumber & Manufacturing Company.....Sardis, Miss.
GEORGE E. W. LUEHRMANN, C. F. Luehrmann Hardwood Lumber Company
.....St. Louis, Mo.

W. E. DELANEY, Kentucky Lumber Company.....Cincinnati, Ohio
J. H. HIMMELBERGER, Himmelberger-Harrison Lumber Company
.....Cape Girardeau, Mo.
W. A. GILCHRIST, Three States Lumber Company.....Memphis, Tenn.
R. H. VANSANT, Vansant, Kitchen & Company.....Ashland, Ky.
T. J. MOFFETT, Maley-Thompson & Moffett.....Cincinnati, Ohio
E. A. LANG, Paepcke-Leicht Lumber Company.....Chicago, Ill.
J. W. DARLING, J. W. Darling Lumber Company.....Cincinnati, Ohio
CLAUDE MALEY, Maley & Wertz.....Evansville, Ind.
LEWIS DOSTER, Secretary, Hardwood Manufacturers' Association of the United States.....Cincinnati, Ohio

ALTERNATES.

A. B. RANSOM, John B. Ransom & Company.....Nashville, Tenn.
C. CRANE, C. Crane & Company.....Cincinnati, Ohio
W. I. BARR, Barr-Holladay Lumber Company.....Greenfield, Ohio

WEST COAST LUMBER MANUFACTURERS' ASSOCIATION.

DELEGATES.

E. W. DEMAREST, Pacific National Lumber Company.....Tacoma, Wash.

ALTERNATES.

E. G. GRIGGS, St. Paul & Tacoma Lumber Company.....Tacoma, Wash.
JOHN W. BLODGETT, Booth-Kelley Lumber Company.....Grand Rapids, Mich.

WESTERN PINE MANUFACTURERS' ASSOCIATION.

DELEGATES.

A. W. COOPER, Secretary, Western Pine Manufacturers' Association
.....Spokane, Wash.

ALTERNATES.

None.

OFFICERS.

E. G. GRIGGS, President.....Tacoma, Wash.
R. H. VANSANT, Vice-President.....Ashland, Ky.
J. B. CONRAD, Vice-President.....Glenwood, Fla.
GEORGE K. SMITH, Secretary.....St. Louis, Mo.
LEONARD BRONSON, Manager.....Chicago, Ill.

BOARD OF GOVERNORS.

C. A. BIGELOW.....Bay City, Mich.
F. E. WAYMER.....Jacksonville, Fla.
J. B. WHITE.....Kansas City, Mo.
A. T. GERRANS.....Houma, La.
EDWARD HINES.....Chicago, Ill.
R. M. CARRIER.....Sardis, Miss.

Attendance

ARTZ, J. ELAM, Fordyce Lumber Company.....Dayton, Ohio
BAIRD, J. H., Southern Lumberman.....Nashville, Tenn.
BARNS, W. E., St. Louis Lumberman.....St. Louis, Mo.
BARR, W. I., Barr-Holladay Lumber Company.....Greenfield, Ohio
BARTH, L. L., Edward Hines Lumber Company.....Chicago, Ill.
BARTLETT, R., J. J. Newman Lumber Company.....Hattiesburg, Miss.
BARTON, C. A., Northland Pine Company.....Minneapolis, Minn.
BENWAY, O. L., Natalbany Lumber Company.....Hammond, La.
BERKSHIRE, J. H., Ozark Land & Lumber Company.....Kansas City, Mo.
BETTS, H. S., Forest Products Engineer.....Madison, Wis.
BIEDERMAN, W. F., Supt., National Lumber Manufacturers' Credit Corporation.....St. Louis, Mo.
BIGELOW, C. A., Kneeland-Bigelow Company.....Bay City, Mich.
BLODGETT, JOHN W., Booth-Kelley Lumber Company.....Grand Rapids, Mich.
BOLSER, J. A., Blackburn & Bolser Lumber Company.....Cincinnati, Ohio
BOYD, JAMES, Lumber Trade Journal.....New Orleans, La.
BRADLEY, EDWARD C., Champion Lumber Company.....Cincinnati, Ohio
BREMER, F. H., Grand Trunk Railway.....Cincinnati, Ohio
BRONSON, LEONARD, Manager.....Chicago, Ill.
BROWER, CHARLES E., Secretary, National Classification Committee.Memphis, Tenn.
BROWN, DOUGLAS A., Official Reporter.....Cincinnati, Ohio
BRYANT, D. H., Thomas & Proetz Lumber Company.....Jamestown, N. Y.
BUELL, GUY I., Montgomery Lumber Company.....Suffolk, Va.
BURNS, B. B., L. L. Ritter Lumber Company.....Huntington, W. Va.
CAMP, GEORGE H., Camp Manufacturing Company.....Pittsburgh, Pa.
CAMP, R. G., Camp Manufacturing Company.....Franklinton, Va.
CARPENTER, S. J., Tremont Lumber Company.....Winnfield, La.
CARRIER, R. M., Carrier Lumber & Manufacturing Company.....Sardis, Miss.
CHILDS, H. S., Secretary, Northern Pine Manufacturers' Association.....Minneapolis, Minn.
CHISHOLM, R. G., Nichols-Chisholm Lumber Company.....Minneapolis, Minn.
COLLAR, W. G., W. G. Collar Lumber Company.....Merrill, Wis.
CONE, ALBERT, American Lumberman.....Chicago, Ill.
CONRAD, J. B., Bond Lumber Company.....Glenwood, Fla.
COOPER, A. W., Secretary, Western Pine Manufacturers' Association.....Spokane, Wash.
CORWIN, HORTON, JR., Branning Manufacturing Company.....Edenton, N. C.
CRANE, C., C. Crane & Company.....Cincinnati, Ohio
DAHL, EUGENE W., Grand Trunk Railway.....Cincinnati, Ohio
DALZELL, EDGAR, C. A. Smith Lumber Company.....Minneapolis, Minn.
DARLING, J. W., J. W. Darling Lumber Company.....Cincinnati, Ohio
DAVIS, JAMES, Lima Locomotive & Machine Company.....Lima, Ohio
DEAL, J. T., Cashie & Chowan Railroad & Lumber Company.....Norfolk, Va.
DECAMP, E. W.....Cincinnati, Ohio
DEFEBAUGH, E. H., American Lumberman.....Chicago, Ill.
DELANEY, W. E., Kentucky Lumber Company.....Cincinnati, Ohio
DEMAREST, E. W., Pacific National Lumber Company.....Tacoma, Wash.
DOSTER, LEWIS, Secretary, Hardwood Manufacturers' Association of the United States.....Cincinnati, Ohio
DUEE, CHARLES, Lumber Mutuals Insurance Exchange.....Chicago, Ill.
ELMER, J. O., Secretary, Gulf Coast Lumber Exporters' Association.....New Orleans, La.

FLANNERY, THOMAS, Paepcke-Leicht Lumber Company.....Chicago, Ill.
FORD, GEORGE R., Lumber World Review.....Chicago, Ill.
FROST, JACOB.....
FULLERTON, S. H., Chicago Lumber & Coal Company.....Cincinnati, Ohio
GERRANS, A. T., St. Louis Cypress Company, Ltd.....St. Louis, Mo.
GIBSON, H. H., Hardwood Record.....Houma, La.
GILCHRIST, W. A., Three States Lumber Company.....Chicago, Ill.
GOSS, REV. CHARLES F., Avondale Presbyterian Church.....Memphis, Tenn.
GRAHAM, H. M., Stuart Lumber Company.....Cincinnati, Ohio
GRIGGS, E. G., President, St. Paul & Tacoma Lumber Company.....Brinson, Ga.
HARRELL, E. C., Secretary, Georgia-Florida Sawmill Association..Tacoma, Wash.
HIMMELBERGER, J. H., Himmelberger-Harrison Lumber Company.....Jacksonville, Fla.
HILZHEIM, H. G., Tremont Lumber Company.....Cape Girardeau, Mo.
HINES, EDWARD, Edward Hines Lumber Company.....Winnfield, La.
HOLE, E. C., American Lumberman.....Chicago, Ill.
HOLT, GEO. H., Holt Lumber Company.....Chicago, Ill.
HORNBY, H. C., Cloquet Lumber Company.....Manhattan Bldg., Chicago, Ill.
HOWE, W. C., American Lumberman.....Cloquet, Minn.
HULL, W. G., Smith-Hull Company.....Chicago, Ill.
JOHNSON, BOLLING ARTHUR, Lumber World Review.....Traverse City, Mich.
JOHNSON, C. D., Frost-Johnson Lumber Company.....Chicago, Ill.
JOHNSON, IRA, Greenleaf-Johnson Lumber Company.....St. Louis, Mo.
JUDD, A. W., Gates Lumber Company.....Norfolk, Va.
KEITH, C. S., Central Coal & Coke Company.....Wilmar, Ark.
KELLOGG, R. S., Secretary, Northern Hemlock & Hardwood Manufacturers' Association.....Kansas City, Mo.
KNOX, J. C., Secretary, Michigan Hardwood Manufacturers' Association.....Wausau, Wis.
LANDRAM, A. H., National Lumber Manufacturers' Association.....Cadillac, Mich.
LANG, E. A., Paepcke-Leicht Lumber Company.....Tacoma, Wash.
LARSON, O. L., Buckley & Douglas Lumber Company.....Chicago, Ill.
LATHROP, F. H., Lathrop Lumber Company.....Manistee, Mich.
LONG, J. W., New York Lumber Trade Journal.....Birmingham, Ala.
LONG, R. A., Long-Bell Lumber Company.....New York, N. Y.
LOVELACE, W. G., Lovelace Lumber Company.....Kansas City, Mo.
LUCIUS, R. W., R. W. Lucius & Company.....Brewton, Ala.
LUEHRMANN, GEORGE E. W., C. F. Luehrmann Hardwood Lumber Company.....Cincinnati, Ohio
MCCANN, T. A., Crookston Lumber Company.....St. Louis, Mo.
MALEY, CLAUDE, Maley & Wertz.....Bemidji, Minn.
MARTIN, J. W., Arkansas Short Leaf Lumber Company.....Evansville, Ind.
MOFFETT, T. J., Maley-Thompson & Moffett.....Pine Bluff, Ark.
MURRAY, W. T., Fordyce Lumber Company.....Cincinnati, Ohio
NELSON, M. B., Long-Bell Lumber Company.....Fordyce, Ark.
ODELL, BRUCE, Cummer-Diggins Company.....Kansas City, Mo.
PARKER, F. E.....Cadillac, Mich.
PENNINGTON, RUFUS, Blountstown Manufacturing Company.....Saginaw, Mich.
PHELPS, CHARLES A., Hackley-Phelps-Bonnell Company.....Blountstown, Fla.
RANSOM, A. B., John B. Ransom & Company.....Grand Rapids, Mich.
RICHARDSON, F. L., Richardson Lumber Company.....Nashville, Tenn.
ROPER, W. B., Secretary, North Carolina Pine Association.....Bay City, Mich.
SCHATZMAN, C. H., Pennsylvania Railroad.....Norfolk, Va.
SCHWERTMAN, E. C., J. A. Fay & Egan Co.....Cincinnati, Ohio
SHIELS, CHARLES F., President Cincinnati Lumbermen's Club.....Cincinnati, Ohio
SLAGLE, G. R., Louisiana Central Lumber Company.....Cincinnati, Ohio
SMITH, GEORGE K., Secretary.....Clarks, La.
SPRAGUE, E. M., Edward Hines Lumber Company.....St. Louis, Mo.
STERLING, E. A., Forest & Timber Engineer.....Chicago, Ill.
VANSANT, R. H., Vansant, Kitchen & Company.....Philadelphia, Pa.

WALKER, J. C., Mississippi Valley Lumberman.....Ashland, Ky.
WAYMER, F. E., Union Lumber Company.....Minneapolis, Minn.
WHITE, J. B., Missouri Lumber & Mining Company.....Jacksonville, Fla.
WILSON, J. F., Johnson-Wentworth Lumber Company.....Kansas City, Mo.
WILLIAMS, JOHN E., American Lumberman.....Cloquet, Minn.
WOERZ, H. R., David Tozer Company.....Chicago, Ill.
WOODHEAD, BEN S., Beaumont Lumber Company.....Stillwater, Minn.
WORCESTER, C. H., Worcester Lumber Company.....Beaumont, Texas

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